

**52nd
ANNUAL
REPORT**

2015-2016
(15 MONTHS)



MAWANA SUGARS LIMITED

Mawana Sugars Limited

BOARD OF DIRECTORS

Prof. Dinesh Mohan
Mrs. Parmjit Kaur
Mr. Piar Chand Jaswal
Mr. Ravinder Singh Bedi
Mr. Dharam Pal Sharma - Whole Time Director

COMPANY SECRETARY

Mr. Ashok Kumar Shukla

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants
9, Scindia House, Kasturba Gandhi Marg
New Delhi – 110001

BANKERS

Punjab National Bank
State Bank of Hyderabad
State Bank of Mysore
Axis Bank Ltd.

REGISTERED OFFICE

5th Floor, Kirti Mahal, 19, Rajendra Place
New Delhi – 110125
Phone No: 91-11-25739103
Fax No: 91-11-25743659
CIN: L74100DL1961PLC003413
E-mail: corporate@mawanasugars.com
Website: www.mawanasugars.com

CORPORATE OFFICE

Plot No.3, Institutional Area
Sector-32, Gurgaon - 122001, Haryana
Phone No: 91-124-4298000
Fax No: 91-124-4298300

WORKS

- Mawana Sugar Works, Mawana
Distt. Meerut – 250402 (U.P.)
- Titawi Sugar Complex,
Village & P.O. Titawi
Distt. Muzaffarnagar - 251301 (U.P.)
- Nanglamal Sugar Complex
Garh Road, Village Nanglamal
Distt. Meerut – 250001 (U.P.)
- Siel Chemical Complex,
Charatrapur, Vill. Khadauli/Sardargarh,
P.O. Box No. 52, Rajpura, Distt. Patiala, Punjab –140401

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Limited
T-34, Okhla Industrial Area, Phase-II, New Delhi - 110020
Phone No. : 011-26387281-83, Fax: 011-26387384
Website : www.masserv.com
E-mail : info@masserv.com

NOTICE

Notice is hereby given that the 52nd Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Monday
Date : 13.06.2016
Time : 11.00 A.M.
Place : Shriram Bharatiya Kala Kendra (Lawn)
1, Copernicus Marg, Mandi House, New Delhi – 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial period ended 31st March, 2016 (15 months), the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial period ended 31st March, 2016 (15 months).
2. To appoint a Director in place of Mr. Piar Chand Jaswal (DIN-07100098) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s A.F. Ferguson & Co., Chartered Accountants (ICAI Registration Number 112066W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors or a Committee thereof.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re- enactment thereof for the time being in force and SEBI (LODR) Regulations, 2015, Mrs. Parmjit Kaur (DIN-06714249), who was appointed as an Additional Director on the Board of the Company w.e.f. 23.10.2015, pursuant to provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for a period of 5 (five) consecutive years commencing from 23.10.2015.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re- enactment thereof for the time being in force and SEBI (LODR) Regulations, 2015, Mr. Dharam Pal Sharma (DIN: 07259344) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13.8.2015 and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

Mawana Sugars Limited

Notice (Contd.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 196 & 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or modification thereof and subject to the approval of Central Government and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the appointment of Mr. Dharam Pal Sharma (DIN-07259344), Whole Time Director of the Company for a period of 5 years w.e.f. 13.08.2015 to 12.08.2020 and payment of the remuneration for a period of 3 years w.e.f. 13.08.2015 to 12.08.2018:

1.	Basic Salary	Rs.45,000/- per month.
2.	Provident Fund	As per the rules of the Company.
3.	Gratuity	As per the rules of the Company.
4.	Medical (Reimbursement)	Expenses incurred for self and family upto Rs.1,250/- p.m. as per the rules of the Company.
5.	Leave Travel Allowance	Rs.2,000/- per month.
6.	Conveyance Allowance	Rs.1,600/- per month.
7.	Special Allowance	Rs.92,500/- per month.
8.	Leave Facility	Leave facility and retirement benefits will be as per the rules of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorised on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.20,000/- (Rupees Twenty Thousand only) per unit plus service tax as applicable and reimbursement of out of pocket expenses for the Financial Period 2015-16, as approved by the Board of Directors on the recommendation of Audit Committee paid to M/s. Bahadur Murao & Co., Cost Accountants (Firm Registration No. 4941) to conduct the audit of the cost records of the Company in respect of Power Generated by Co-generation plants from its three sugar units be and is hereby ratified.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.2,28,000/- (Rupees Two Lacs Twenty Eight Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the financial year 2016-17, as approved by the Board of Directors on the recommendation of Audit Committee, to be paid to M/s Bahadur Murao & Co., Cost Accountants (Firm Registration No.4941) to conduct the audit of the cost records of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the present Authorised Share Capital of the Company Rs.175,00,00,000/- (Rupees One Hundred Seventy Five Crores Only) divided into 17,50,00,000 (Seventeen Crores Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) be and is hereby reclassified into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.100,00,00,000/- (Rupees One Hundred Crores Only) and 75,00,000 (Seventy Five Lacs) Preference Shares of Rs.100/-

Notice (Contd.)

- (Rupees One Hundred Only) each aggregating to Rs.75,00,00,000/- (Rupees Seventy Five Crores only) total aggregating to Rs. 175,00,00,000/- (Rupees One Hundred Seventy five Crores Only) and accordingly, the Memorandum of Association of the Company be and is hereby altered as follows:

RESOLVED FURTHER THAT Clause V of the Memorandum of Association be amended suitably to give effect to the above Reclassification of shares.

Clause V of the Memorandum of Association of the Company is substituted by the following:-

V. "10,00,00,000 (Ten Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.100,00,00,000/- (Rupees One Hundred Crores Only) and 75,00,000 (Seventy Five Lacs) Preference Shares of Rs.100/- (Rupees One Hundred Only) each aggregating to Rs.75,00,00,000/- (Rupees Seventy Five Crores Only). The Company will have the right to increase or reduce its capital and to divide its capital for the time being in shares of different classes and to attach to any such shares preferential, deferred, qualified or special rights, privileges or conditions and to vary, modify or abrogate any such rights or privileges or conditions in accordance with the Articles of Association of the Company and the legislative provisions for the time being in force in that behalf."

RESOLVED FURTHER THAT Mr. Dharam Pal Sharma, Whole-Time Director and Mr. Ashok Kumar Shukla, Company Secretary of the Company be and are hereby severally authorised to take all necessary steps in this regard.

By Order of the Board of Directors
For **Mawana Sugars Limited**

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi

Dated : 10.05.2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the AGM as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 07.06.2016 to 13.06.2016 (both days inclusive).
4. In compliance of SEBI requirements, Mas Services Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:
Mas Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110020
Phone No. : 011-26387281-83
Fax No. : 011-26387384
Website: www.masserv.com
E-mail: info@masserv.com
5. Members are requested to notify immediately any change in their address to Mas Services Ltd. quoting their folio numbers.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. In terms of Section 72 of the Companies Act, 2013 the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of death.

In case any member wishes to avail the nomination facility in respect of shares held by him/her, please write to the Company to obtain the nomination form.

Notice (Contd.)

9. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Shareholders are requested to avail this facility and get their shareholding converted into dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates to their Depository Participant (DP).
10. **The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail, to support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Mas Services Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.**

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In terms of the provisions of Sections 149,161 of the Companies Act, 2013 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Mrs. Parmjit Kaur was appointed as an Additional Director (under the category of Non-Executive Independent Woman Director) of the Company with effect from 23.10.2015 by the Board of Directors, who shall hold office upto the date of the ensuing Annual General Meeting of the Company.

Further, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mrs. Parmjit Kaur as Independent Director of the Company for a period of 5 (five) consecutive years commencing from 23.10.2015.

The Company has received declaration from Mrs. Parmjit Kaur that she meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under the SEBI (LODR) Regulations, 2015.

The Company has received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing her candidature for the office of director of the Company.

In the opinion of the Board, Mrs. Parmjit Kaur fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and is independent of the management of the Company and/or subsidiary/associate companies.

Brief resume of Mrs. Parmjit Kaur, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships /chairmanships of Board Committees, her shareholding in the Company, relationships amongst directors' inter-se as stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, is provided in the Annual Report.

Except Mrs. Parmjit Kaur and her relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item No.4 of this Notice for approval of the members of the Company.

ITEM NO. 5 & 6

The Board of Directors of the Company in its meeting held on 13.8.2015 had appointed Mr. Dharam Pal Sharma as an Additional Director who shall hold office on the Board of the Company till the date of ensuing Annual General Meeting pursuant to the provisions of the Section 161 of the Companies Act, 2013 and Articles of Association of the Company. A notice pursuant to Section 160 of the Companies Act, 2013 along with deposit of requisite amount has been received from a member signifying his intention to propose him as a candidate for the office of Director. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The Board at the same meeting also appointed Mr. Dharm Pal Sharma as Whole Time Director of the Company for a period of 5 years w.e.f. 13.08.2015 pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Rules made thereunder.

The Nomination and Remuneration Committee of the Company in its meeting held on 13.08.2015 has approved the appointment of Mr. Dharam Pal Sharma as a Whole Time Director of the Company for a period of 5 years w.e.f. 13.08.2015 to 12.08.2020 and payment of the remuneration for a period of 3 years w.e.f. 13.08.2015 to 12.08.2018.

Notice (Contd.)

The terms and conditions of his appointment and remuneration are subject to the approval of the shareholders and Central Government.

Accordingly, the resolutions are recommended for approval of the shareholders of the Company.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. GENERAL INFORMATION:

(i) Nature of Industry:

The Company is engaged in the manufacture and marketing of Sugar and related by products from Sugar Cane at its units at Mawana Sugar Works, Titawi Sugar Complex and Nanglamal Sugar Complex and Co-generation of Power and production of Ethanol. Producing and marketing Chlor Caustic at its Unit Siel Chemical Complex, Rajpura, Punjab.

(ii) Date or expected date of commencement of commercial production:

The Company is an existing Company and is into manufacturing operation since long.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(iv) Financial performance based on given indicators

The performance of the Company during the 15 month period ended on 31.03.2016 (the latest Audited Balance Sheet of the Company)

Particulars	Amount (Rs./Million)
- Total Revenue	14941.87
- Net Profit/(Loss)	22.14
- Effective Capital	(1689.89)

(v) Export performance and net foreign exchange collaborations:

Nil

(vi) Foreign investments or collaborators, if any:

None

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details:

Mr. Dharam Pal Sharma, aged 64 years, is B.Sc (Ag) (Hons) and has thorough understanding of sugar industry. He is associated with the sugar industry for more than 34 years and during this period has worked with Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills in various capacities. Since 1997, Mr. Sharma was associated with the Company.

Past remuneration (last three years)

Per Annum

Particulars	March 31, 2015*	March 31, 2014	March 31, 2013
Salary	Rs.9,63,900/-	Rs.13,43,729/-	Rs.12,96,000/-

*Salary is for the part of the year.

(b) Recognition or Awards:

None

(c) Job Profile and his Suitability:

In his new role with MSL, Mr. Dharam Pal Sharma is designated as Whole Time Director of the company and shall have the task of taking the company out of its difficult phase through different approaches and efforts for the revival of the company.

He is overlooking the cane department on the priority basis and actively involved in developing harmonious relationship with farmers in view of present weak financial position of the Company for non-payment of cane dues.

He also involves in the financial control functions, strategic decisions formulation and discussions with various stakeholders for success in an extremely difficult situation. He will also be working for H.R. management and developing and coordinating technical and commercial functions etc.

Notice (Contd.)

- (d) **Remuneration Proposed:** The proposed remuneration of Mr. Dharam Pal Sharma as Whole Time Director of the Company is detailed in Item No.6 above.
- (e) **Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person**
The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.
- (f) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**
Mr. Dharam Pal Sharma has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his Remuneration in the capacity of a Whole Time Director.

III. OTHER INFORMATION:

(a) **Reasons of loss or inadequate profits**

- (i) Sugar, which is the main business of the Company is a cyclical business and is largely dependent on climatic factors, supply-demand position and government policies, including sugarcane pricing. High sugar production in the country results in softening of sugar prices, which in turn adversely affects the profitability of the sugar mills. Conversely lower production generally results in strong sugar profitability due to higher sugar prices.
- (ii) The sugarcane price, is fixed by the Government of Uttar Pradesh (GoUP) on arbitrary manner (State Advised Price - SAP) without any reference, whatsoever, to the prevailing sugar price. The GoUP is yet to carry out reforms as advocated by Dr, Rangarajan Committee Report and thus there is a complete mismatch between the output and input prices. The Sugarcane prices have been rising much faster than sugar a sales price, which is resulting in loss suffered by sugar factories over last few years.
- (iii) Large amount on account of various incentives and subsidies in respect of the investments of about Rs.700 crores made by MSL under the UP Sugar Promotion Policy are held up since the GoUP has withdraw the incentive scheme after all investments were already made. Since these investments were funded mainly by raising debts, the interest cost has gone up without receiving the incentives provided by GoUP.

(b) **Steps taken or proposed to be taken for improvement**

The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production of sugar, realizing that it has little control over Government policies. With a view to make its sugar operations more viable, the Company has chalked out a road map with ambitious cane development targets which will increase the recovery of sugar and to increase the profitability of sugar integrated businesses, such as cogeneration and distillery operations. The Company hopes to con stain or lower the financial cost by increasing production volumes, curtailing running cost, manpower reduction and reduced operational losses.

(c) **Expected increase in productivity and profit in measurable terms.**

In the sugar season 2015-2016 it is expected the production of sugarcane and recovery will be better than the previous sugar season. The much awaited reforms by the Government in the sugar sector and resumption of normal economic growth in the country may accelerate the turnaround of the Company. The fundamentals of the Company are sound and it has well balanced and diversified business and has the potential of not being just profitable but achieving significant growth. Recently the Government has been notified mandatory export of sugar for the season 2015-16, it will help take pressure of prices by reducing domestic stockpiles.

In view of the facts stated above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability shall improve and would be comparable with the industry average.

Except Mr. Dharam Pal Sharma and his relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

ITEM NO. 7

The Company has received a consent letter dated 5.5.2015 from M/s Bahadur Murao & Co., Cost Auditors of the Company for appointment as Cost Auditor for conducting the Cost Audit for the Power generated by co-generation plants of three sugar units of the Company in addition to Sugar, Caustic Soda, SBP and Industrial Alcohol manufactured by the Company for the financial period 2015-16 (15 months).

Notice (Contd.)

Accordingly, the Board of Directors of the Company in its meeting held on 12.5.2015 had approved the appointment of M/s Bahadur Murao & Co., Cost Auditors of the Company for conducting the Cost Audit for the Power generated by co-generation plants of three sugar units of the Company at a remuneration of Rs.20,000/- per unit + travelling & out of pocket expenses for the financial period ended 2015-16. The remuneration paid/to be paid to the Cost Auditors is required approval by the members of the Company.

Accordingly, resolution set out under Item No.7 is recommended for ratification of the members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

ITEM NO. 8

The Board of Directors has appointed M/s Bahadur Murao & Co., Cost Auditor (Membership No. 4941), as the Cost Auditor for audit of the cost accounting records of the Company pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under for the financial year 2016-17. It is proposed to pay Rs.2,28,000/- as the remuneration, plus out of pocket expenses incurred/to be incurred by the auditors during the course of audit.

Accordingly, resolution set out under Item No.8 is recommended for approval of the members of the Company as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

ITEM NO. 9

The Company has a large unserviced debt liability of the Banks and cane price arrears for the crushing season 2015-16. The total liability on these accounts as on date, without any interest provision, is Rs. 1042 Crores. As per the directions of the Hon'ble High Court for Judicature at Allahabad, the payment of dues of the farmers shall have precedence over all other payments including those to the Banks.

A part of the liability of the cane price arrears would be met out of sale of sugar stocks inventory but it would still leave a substantial unpaid amount on this account. Company does not have wherewithal to pay these amounts except by selling its assets. The sale of sugar assets located in UP is difficult under the present economic and potential political circumstances of the State of UP.

The Company's account with Banks has been long declared NPA. Under extant dispensation, Banks are keen to either sell their debts to Asset Reconstruction Companies (ARCs) or make one time settlement (OTS) or agree for restructuring the loans depending on the circumstances of individual borrower. However, under all scenarios, there is always a requirement for some upfront payment. To be able to avail any of such opportunity as and when it occurs, it is considered desirable to be prepared. Some exploratory discussions held with some investors, it is revealed that potential investor(s) may be interested to invest in the Company in a manner that will enable them to either cash out or redeem their investment in a fixed time period. Such investment therefore could be in the form of investment in equity shares or convertible securities like debenture or preference shares.

The current Authorised Capital Structure is very large but consists of Equity shares only and therefore does not permit issue of Preference Shares. Increasing the Authorised Capital by incorporating Preference Shares is not considered a good option as it entails significant expense. It is however possible to reclassify the existing Authorised Capital structure by dividing the Capital partly into Equity shares and Preference shares.

It is therefore proposed that the existing Authorised Capital structure of the Company be reclassified as under:

Authorised Capital:

- (i) 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10 each
- (ii) 75,00,00,000 (Seventy Five Lacs) Optionally Convertible Cumulative Redeemable Preference Shares of Rs.100 each.

Accordingly, clause V of the Memorandum of Association containing capital description is also proposed to be altered in conformity with the proposed reclassification in Authorised Share Capital.

Provisions of the company law stipulate that to reclassify the authorized capital, the company should obtain approval of shareholders. Hence, this resolution is placed before yourself to pass as a special resolution.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

By Order of the Board of Directors
For **Mawana Sugars Limited**
(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 10.05.2016

Brief Profile of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Piar Chand Jaswal	Mr. Parmjit Kaur	Mr. Dharam Pal Sharma
Age	55 years	74 years	64 years
Date of Appointment	18.02.2015	23.10.2015	13.8.2015
Qualification	Matriculate	B.A. (Hons) English	B.Sc. (Ag) (Hons)
Expertise	Mr. Piar Chand Jaswal is a retired Junior Commission Officer from Indian Army.	Land owner.	Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry. Over the years, he has developed various other management skills. His experience of more than 34 years with various sugar Companies like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, FBNS Sugar Mills and from last 18 years he is associated with the Company.
Shareholding of Directors in the Company	Nil	Nil	Nil
Directorship held in other Public Companies excluding foreign and private companies	Nil	Nil	Nil
Chairmanships/Memberships of Committee	Member: 1. Audit Committee 2. Stakeholders Relationship Committee 3. Nomination and Remuneration Committee 4. Social Responsibility Committee 5. Risk Management Committee	Nil	Nil

DIRECTORS' REPORT

Your Directors hereby present the 52nd Annual Report along with Audited Accounts of the Company for the 15 months financial period ended March 31, 2016. It is also pertinent to mention here that in terms of the requirement of section 2(41) of the Companies Act, 2013, the Company aligned its financial year from April - March. Hence, accounts for the 15 months started on 1st January 2015 to 31st March, 2016 are being placed. Further, subsequent financial years of the Company shall begin on 1st April and end as on 31st March.

FINANCIAL RESULTS (Rs. Lacs)

Sl. No.	Particulars	Amount	
		31.03.2016 (15 months)	31.12.2014 (15 months)
1.	Profit/(Loss) before interest, depreciation, exceptional items and tax	11692	(4276)
2.	Interest	7678	7689
3.	Depreciation	3793	6096
4.	Profit/(Loss) before tax	221	(18061)
5.	Provision for taxation:		
	- Current tax	-	-
	- Provision relating to earlier year	-	-
	- Provision for tax written back relating to earlier year	-	-
6.	Profit/(Loss) after tax	221	(18061)

DIVIDEND

In view of inadequate profits during the current financial period, your Directors are unable to recommend any dividend for the period under review.

OPERATIONS

1. SUGAR DIVISION

The year 2015-16 witnessed decrease in sugar production. The cane crush this season decreased by 5 lacs MT as compared to last season (2014-15) mainly due to high diversion of cane because of huge cane arrears. The cane crush this season was 21.73 lacs MT as compared to 26.77 lacs MT in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season			2015-16
		2012-13	2013-14	2014-15	
Cane Crush	Lac MT	34.06	25.58	26.77	21.73
Recovery	%	8.96	9.09	9.49	10.73
Sugar Production	Lac MT	3.07	2.33	2.54	2.37

Intensive cane development work done in the last 2 years has resulted improvement in recovery by 1.24% as compared to last season.

Higher recovery and increased sugar prices have generated the cash profits after so many years and the same shall help in liquidating the cane arrears to some

extent.

MSL is continuing its cane development program including distribution of cane seeds of new varieties, fertilizers and insecticides etc. These will help in long term improvements in cane quality and yield.

Less crush has resulted reduction in power export.

2. CHLOR ALKALI DIVISION

During the 15 months period Jan'15 – Mar'16, overall the business performed well with volatility in prices. The plant capacity utilization was matched as per the market requirements. During quarters Q1 to Q4, the prices of Caustic and Chlorine remained low because of supplies exceeding demand. Profitability was further affected due to increase in power cost. With improvement in Caustic Soda and Chlorine prices due to lower imports, production was restored to normal levels in Quarter Q5.

The products and their quality were well accepted in the market during the entire period of 15 months.

Power contributes towards major portion of the input cost. The electricity requirement for the plant was met through Punjab State Power Corporation Limited and through Indian Energy Exchange under Open Access.

MATERIAL CHANGES AND COMMITMENTS

No material changes or commitments have occurred between the end of the financial period to which the financial statements relate and the date of this report, affecting the financial position of the company.

STATUS OF SICKNESS UNDER BIFR

The Company has filed a reference in Form 'A' under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 with Hon'ble BIFR on 1.8.2013 and the same has been registered as Case No.63/2013 as communicated by BIFR vide its letter No.3(M-5)/BC/2013 dated 10.9.2013.

The matter considering of Mawana Sugars Limited as 'Sick Company' under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 is pending by BIFR.

DEBT RESTRUCTURING PROGRAMME

The Board of Directors of the Company in its meeting held on 21.3.2016 approved a process of restructuring its principal debt liabilities to lenders/ARC and has started a debt restructuring program with M/s. Edelweiss Asset Reconstruction Company Limited which had taken over the debts of the company owed to State Bank of India and State Bank of Travancore. Under this program, the total settlement amount shall be payable over a period of eight years.

SUBSIDIARY COMPANIES

The Company has three subsidiary companies viz. SIEL Financial Services Limited, SIEL Industrial Estate Limited and SIEL Infrastructure & Estate Developers Pvt. Ltd.

DIRECTORS' REPORT (Contd.)

Siel Financial Services Limited, a Listed Company is not doing any business since last 15 years. Siel Infrastructure & Estate Developers Private Limited is a Dormant Company and not carrying on any operations presently.

Pursuant to provisions of Section 129 and other applicable provisions of the Act read with Rules made thereunder, the performance and financial position of each of the subsidiary companies are annexed in Form AOC-I to the Annual Financial Statements.

There has been no change in relationship of any subsidiary company during the financial period.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial period 2015-2016 (15 months), are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

Mr. Piar Chand Jaswal, Director is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mr. Dharam Pal Sharma has been appointed as a Whole Time Director of the Company for a period of 5 years w.e.f. 13.08.2015 to 12.08.2020 and payment of the remuneration for a period of 3 years w.e.f. 13.08.2015 to 12.08.2018 by the Board of Directors of the Company in its meeting held on 13.8.2015. Accordingly, a resolution is included in the Notice of the forthcoming 52nd Annual General Meeting of the Company for seeking approval of members.

Mrs. Parmjit Kaur has been appointed as an Additional Director (under the category of Non-Executive Independent Woman Director) for a period of five years w.e.f. 23.10.2015, and holds office up to date of ensuing Annual General Meeting. A resolution is proposed for her appointment as director of the Company at the ensuing Annual General Meeting. With this appointment, the Company has complied with the requirement of having a Woman Director on its Board as per the Companies Act, 2013 and SEBI (LODR), Regulations, 2015. Particulars of Directors seeking appointment/re-appointment have been given in the explanatory statement annexed to the notice for the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit of the

- Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.3.2016 (15 months), following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sl. No.	Name	Designation
1.	Mr. Dharam Pal Sharma*	Whole Time Director
2.	Dr. Anil Arora**	Chief Financial Officer
3.	Mr. Ritesh Jain***	Company Secretary
4.	Mr. Ashok Kumar Shukla****	Company Secretary

* Appointed as Whole Time Director of the Company w.e.f. 13.8.2015.

** Appointed as Chief Financial Officer of the Company w.e.f. 5.11.2015.

*** Appointed as Company Secretary of the Company w.e.f. 6.1.2015 and ceased to be Company Secretary w.e.f.10.3.2015.

**** Appointed as Company Secretary of the Company w.e.f. 4.7.2015.

MEETINGS OF THE BOARD

During the financial period ended 31.3.2016 (15 months), seven Board Meetings were held. In addition to Board Meetings, nine Resolutions by Circulation on various dates were also passed by the Board of Directors with requisite majority. The details of the Board Meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

DIRECTORS' REPORT (Contd.)

INTERNAL FINANCIAL CONTROLS

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments. An internal audit process is in place under the overall supervision of the Audit Committee of the Board. The services for the internal audit are outsourced. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of, inter alia, the internal financial controls. The appointment of internal auditors is approved by the Board on recommendations of the Audit Committee. The Audit Committee also lays down the schedule for internal audit. Internal audit reports are placed before the Committee with management comments. Suggestions are implemented and reported to the Audit Committee.

An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

STATUTORY AUDITORS AND THEIR REPORT

M/s. A.F. Ferguson & Co., Chartered Accountants, Auditors of the Company (ICAI Registration Number 112066W) who are our Auditors, retire at the ensuing annual general meeting and are eligible for reappointment.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants, as the statutory auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting.

The observations of Auditors in their report read with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

COST AUDITORS

M/s Bahadur Murao & Co., Cost Accountants (Membership Number 4941) were re-appointed as Cost Auditors of the Company for conducting the audit of the cost records maintained by the Company for the products (Sugar, Caustic Soda, Industrial Alcohol, Power, SBP) for the financial year 2016-17 subject to the approval of the Members on the remuneration to be paid to the Cost Auditors.

A certificate from them has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and rules framed there under.

The Cost Audit Report for the financial period 2013-14 (15

months) had filed on 20/05/2015, which is within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nirbhay Kumar (CP No.7887), M/s Nirbhay Kumar & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial period 2015-16 (15 months).

The Secretarial Audit Report for the financial period ended 31st March, 2016 is attached as Annexure - I of this Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

FIXED DEPOSITS

The Company does not have any deposits and has neither accepted any deposits during the financial period ended March 31, 2016 (15 months).

RISK MANAGEMENT

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of three Directors, two directors are independent director and one is non-executive director, viz., Prof. Dinesh Mohan as Chairman, and Mr. Ravinder Singh Bedi and Mr. Piar Chand Jaswal as Members. The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website www.mawanasugars.com

DIRECTORS' REPORT (Contd.)

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy is also placed on Company's website.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fee paid to them for each meeting of the Board/ Committee thereof attended by them.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure - II and forms part of this Report.

PARTICULARS OF EMPLOYEES

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, are given in Annexure – III of this Board's Report.

During the financial period ended 31.3.2016 (15 months), there is no employee in the Company who is receiving remuneration more than Rs.5 lacs per month or Rs.60 lacs per annum.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note Nos.12 & 13 to Financial Statements.

RELATED PARTY TRANSACTIONS

The transactions entered with related parties during the period under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related

party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note no. 35 of the Financial Statements for the financial period ended 31.3.2016. Thus, disclosure in Form AOC-2 is not required.

The Board has framed a Policy on related party transactions and placed the same on the Company's website.

VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy / Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

EXTRACT OF ANNUAL RETURN

The extracts of the Annual Return (MGT-9) as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as Annexure – IV to this Report.

CORPORATE GOVERNANCE

In accordance with SEBI (LODR), Regulations, 2015, Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report form part of this report are enclosed as Annexure-V and forms part of the report.

SHARE CAPITAL

During the financial period ended 31.3.2016 (15 months), the Company has not issued any share capital with different voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers and Vendors of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For & on behalf of the Board of Directors

Dharam Pal Sharma
Whole Time Director
DIN: 07259344

Ravinder Singh Bedi
Director
DIN: 01408189

Place : New Delhi
Dated : 10.05.2016

ANNEXURE - I TO DIRECTORS' REPORT

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL PERIOD ENDED ON 31st MARCH, 2016 (15 MONTHS)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To
The Members, Mawana Sugars Limited,
Kirti Mahal, 19, Rajendra Place, New Delhi - 110 125

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mawana Sugars Limited, (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the 15 months financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the 15 months financial period ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India

(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) Factories Act, 1948;
- (b) Industries (Development & Regulation) Act, 1951;
- (c) All Labour laws and such Other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to wages, gratuity, provident fund, ESIC, compensation, welfare etc.;
- (d) Acts prescribed under prevention and control of Pollution and Acts prescribed for Protection of Environment;
- (e) Acts as prescribed under Direct and Indirect Tax;
- (f) The Legal Metrology Act, 2009;
- (g) Indian Electricity Act, 2003;
- (h) The Food Safety and Standard Act, 2006;
- (i) Drugs & Cosmetic Act, 1940 & Rules;
- (j) Indian Boiler Act, 1923;
- (k) Essential Commodities Act, 1955;
- (l) Negotiable Instruments Act, 1881;
- (m) Sugar Cess Act, 1982;
- (n) Explosive Act, 1884/Rules 1983
- (o) Acts as prescribed under Shop and Establishment Act of various local authorities;
- (p) Acts as prescribed by respective states and local authorities etc.

ANNEXURE - I TO DIRECTORS' REPORT (Contd...)

We have also examined compliance with the applicable clauses of the following:

- i. Listing Agreements entered into by the Company with Stock Exchange(s),
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- iii. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. subject to the following observations:

1. Absence of Minimum Number of Directors in the Company during the period from 1.1.2015 to 17.2.2015 as per Section 149 of the Companies Act, 2013.
2. Non-appointment of the Key Managerial Personnel (Whole Time Director) from 1.1.2015 to 12.08.2015 under the provisions of Section 203 of Companies Act, 2013.
3. Non-Appointment of Woman Director from 1.4.2015 to 22.10.2015 under the provisions of Section 149 of Companies Act, 2013.
4. Non-Appointment of the Key Managerial Personnel (Chief Financial Officer) from 1.4.2014 to 4.11.2015 under the provisions of Section 203 of Companies Act, 2013.
5. Non-Payment of Sugar Cane arrears under UP Sugarcane (Regulation of Supply & Purchase) Act/Rules (1953/1954).

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken any major activities like;

- (i) Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- (ii) Redemption/ buy-back of securities
- (iii) Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger/amalgamation/reconstruction, etc.
- (v) Foreign technical collaborations/Joint Ventures etc.

For Nirbhay Kumar & Associates

Nirbhay Kumar

M. No. : 21093

C.P. No.: 7887

Place : New Delhi

Date : 10.05.2016

ANNEXURE - II TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY: (a) Energy conservation measures taken:	<ol style="list-style-type: none">a) Installation of VFDs at recirculation water Pump, Bagasse feeder, De super heating Pump to reduce power demand & improving plant automation & efficiencies as recommended by Confederation of Indian industries (CII) in energy audit.b) FFE II vapour connection is provided for R-2 massecuite boiling.c) Quintuple vapour bleeding arrangement for operating the boiling house at lower crush.d) Change in lighting system to CFL to reduce the power consumptione) Provision of VFD for 60HP Return Brine Pump of Cell Housef) Provision of VFD for 10HP HCL Dosing Pump of Cell Houseg) Refurbishment of Cell House electrolyzers (12 Nos)
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ANNEXURE - II TO DIRECTORS' REPORT (Contd...)

<p>(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:</p> <p>(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:</p>	<p>a) Installation of VFD at water Recirculation Pump. b) Installation of VFD at Bagasse Feeders of 75 TPH Boiler. c) Installation of VFD at De-Super heating Pump. d) VFD at boiler no.3 ID fan and bagasse feeder for auto combustion.</p> <p>a) Decrease in power consumption.</p>
<p>B. TECHNOLOGY ABSORPTION</p> <p>(a) The effort made towards technology absorption</p> <p>(b) Benefits derived as a result of the above efforts.</p> <p>(c) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial period), following information may be furnished:-</p> <p>(i) Technology imported</p> <p>(ii) Year of Import</p> <p>(iii) Has technology been fully absorbed ?</p> <p>(iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.</p>	<p>a) Installation of Static mixer at Satwik Juice sulphiter. b) Provision of Micro filter for 2nd Vapor Condensate as a H.W. Centralized. c) Improvement in sugar Grading system for 100% bold grain Production. d) Installation of Online flow, quality measurement system at ETP. e) Installation of high Gauss Power Magnets. f) Automation in Milk of Lime dosing at Deficator. g) Automation of injection water temperature at Cooling Tower. h) Online display of Mix juice flow , Boiler steam flow & Exhaust steam pressure. i) Spiral chute replaced with Inclined belt conveyor for carrying sugar bags in both the units. j) Improvement in cane feeding system by modification of existing truck tippler to increase its capacity from 40 ton to 60 ton and facilitate unloading of both trucks and trollies. k) Water conservation : Water conservation projects are taken up and 70% jobs are completed.</p> <p>a) Reduction in molasses loss b) Reduction in UKL (unknown loss) . c) Increase in Bold Grain Production & sugar quality for Industrial buyer. d) Consistency in pH of deficated juice. e) Saving in Power consumption. f) Due uniform cane feeding bagasse loss was reduced to 0.49 % cane from 0.51 5 cane. g) By carrying out water conservation projects , we have considerably reduced effluent generation and ground water consumption has been reduced by 50%.</p> <p>NIL Not Applicable Not Applicable Not Applicable</p>

ANNEXURE - II TO DIRECTORS' REPORT (Contd...)

(d) The expenditure incurred on Research and development (Rs. In Lacs)	42
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	
(a) Activities related to exports initiative taken to increase export, development of new export markets for production and services	
(b) Total foreign exchange used and earned	The information is given in Notes to Accounts.

ANNEXURE - III TO DIRECTORS' REPORT

PARTICULARS OF REMUNERATION

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required under Section 197 of the Companies Act 2013 and the Rules made there-under, in respect of employees of the Company are as follows:-

- (a) The median remuneration of employees of the Company during the financial period was Rs. 2,72,876/-. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial period 2015-16 (15 months) are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2015-16 (15 months) (Rs. in lacs)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Ravinder Singh Bedi*	Non-Executive & Independent Director	N.A.	N.A.
Prof. Dinesh Mohan*	Non-Executive & Independent Director	N.A.	N.A.
Mrs. Parmjit Kaur*	Non-Executive & Independent Director	N.A.	N.A.
Mr. Piar Chand Jaswal*	Non-Executive Director	N.A.	N.A.
Mr. Dharam Pal Sharma**	Whole Time Director	Rs. 11,24,807/-	8.25:1

* All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

** Appointed as a Whole Time Director w.e.f. 13.08.2015.

- (b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial period:

Directors

Directors	Remuneration of Director in Financial Period 2015-16 (15 months)	% Increase in remuneration
Mr. Ravinder Singh Bedi*	N.A.	N.A.
Prof. Dinesh Mohan*	N.A.	N.A.
Mrs. Parmjit Kaur*	N.A.	N.A.
Mr. Piar Chand Jaswal*	N.A.	N.A.
Mr. Dharam Pal Sharma, Whole Time Director**	Rs. 11,24,807/-	N.A.

* All the non-executive directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

**Appointed as a Whole Time Director w.e.f. 13.08.2015. Therefore the said percentage increase in remuneration is not applicable.

ANNEXURE - III TO DIRECTORS' REPORT (Contd...)

Key Managerial Personnel's (KMPs)

Directors	Remuneration of KMP in Financial Period 2015-16 (15 months)	% Increase in remuneration
Mr. Dharam Pal Sharma, Whole Time Director#	Rs. 11,24,807/-	N.A.
Dr. Anil Arora, Chief Financial Officer#	Rs. 20,40,000/-	N.A.
Mr. Ashok Kumar Shukla, Company Secretary#	Rs. 3,67,146/-	N.A.
Mr. Ritesh Jain, Company Secretary#	Rs. 2,12,887/-	N.A.

#Whole Time Director, Chief Financial Officer and Company secretary remained in employment in their capacity for part of the period. Therefore the said percentage increase in remuneration is not applicable.

- (c) The percentage increase in the Median Remuneration of Employees in the financial period was 4.83%
- (d) The number of Permanent Employees on the Rolls of Company: The number of Permanent Employees on the Rolls of Company as on 31st March, 2016 was 2384.
- (e) The explanation on the relationship between average increase in Remuneration and Company Performance:
The total Revenue during the period 2015-16 (15 Months) was Rs. 14941.87 Million as compared to Rs. 14093.86 Million during 2013-14 (15 Months). During the Financial period 2015-16(15 Months) the Company earned profit of Rs.22.14 Million as against loss of Rs.1806.10 Million in 2013-14 (15 months). During the period under review there was an average increase in the median remuneration of 4.83%. The Increase in remuneration is reasonable.
- (f) Comparison of the Remuneration of the Key Managerial Personnel against the Performance of the Company:
See comments under item (e) above.
- (g) Variations in the market capitalisation of the Company: The Market Capitalisation as on 31.3.2016 was Rs. 997.48 Million as against Rs. 377.48 Million as on 31.12.2015.
- (h) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:
The average increase in salaries of employees in 2014-15 was 8.73%. During the period there is no increase in remuneration of key managerial personnel as they were appointed during the financial period.
- (i) The key parameters for any variable component of Remuneration availed by the Directors: There is no variable component in the remuneration of Directors.
- (k) The Ratio of the Remuneration of the highest paid Director to that of Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the period is 1.42:1
- (k) Affirmation that the Remuneration is as per the Remuneration Policy of the Company: The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) Name of employee employed throughout the financial period and was in receipt of remuneration rupees sixty lakh or more: Nil
- b) Name of employee employed for a part of the financial period and was in receipt of remuneration less than five lakh rupees per month: Nil
- c) Name of the employee employed throughout the financial period or part thereof, was in receipt of remuneration in that period which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Nil

ANNEXURE - IV TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial period ended 31.03.2016 (15 Months)

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L74100DL1961PLC003413
2	Registration Date	27.03.1961
3	Name of the Company	Mawana Sugars Limited
4	Category / Sub-Category of the Company	Manufacturing
5	Address of the Registered Office and contact details	5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125 Telephone No. : 011-25739103, Fax No. 011-25743659 E-mail : Corporate@mawanasugars.com Website : www.mawanasugars.com
6	Whether listed company Yes / No	Yes
7	Name, address and contact details of Registrar and Transfer Agent, if any	Mas Services Limited T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Telephone No. : 011-26387281-83, Fax No. : 011-26387384 E-Mail : info@masserv.com, Website : www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of manufacture and marketing of Sugar and related by products from Sugar Cane at its Units Mawana Sugar Works, Titawi Sugar Complex & Nanglamlal Sugar Complex all situated in State of Uttar Pradesh and producing and marketing of Chlor Caustic at its Units Siel Chemical Complex, in the State of Punjab. The business activities contributing 10% or more of the total turnover of the Company shall be stated herein below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Sugar	1072	70.47
2.	Chemicals	20119	17.33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Siel Industrial Estate Limited	U45209DL1994PLC057359	Subsidiary	50.71	2 (87) and 129 (3)
2	Siel Financial Services Ltd.	L65999MP1990PLC007674	Subsidiary	93.56* & 100**	2 (87) and 129 (3)
3	Siel Infrastructure & Estate Developers Pvt. Ltd.	U74899DL1985PTC021191	Subsidiary	100.00	2 (87) and 129 (3)

*EQUITY CAPITAL **PREFERENCE CAPITAL

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the period (as on 01.01.2015)				No. of Shares held at the end of the period (as on 31.03.2016)				% change during the period
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	27334784	0	27334784	69.88	27334784	0	27334784	69.88	0.00
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	1192	0	1192	0.00	1192	0	1192	0.00	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0.00
SUB TOTAL:(A) (1)	27335976	0	27335976	69.88	27335976	0	27335976	69.88	0.00
(2) Foreign0	0	0	0	0	0	0	0	0	0
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	27335976	0	27335976	69.88	27335976	0	27335976	69.88	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	20703	979	21682	0.06	11520	979	12499	0.03	-0.03
b) Banks/FI	445982	11584	457566	1.17	445982	11584	457566	1.17	0.00
c) Cenntal govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	295208	0	295208	0.75	295208	0	295208	0.75	0.00
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Any Others (Foreign Banks)	3093	0	3093	0.01	3093	0	3093	0.01	0.00
SUB TOTAL (B)(1):	764986	12563	777549	1.99	755803	12563	768366	1.96	-0.03
(2) Non Institutions									
a) Bodies corporates									
i) Indian	2019499	41802	2061301	5.27	1580408	41783	1622191	4.15	-1.12
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5414177	698884	6113061	15.63	5995877	690269	6686146	17.09	1.47
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2520259	0	2520259	6.44	2474661	0	2474661	6.33	-0.12
c) Others									
i) NRIs/OCBs/Pakistani Nationals	246768	54085	300853	0.77	167744	53915	221659	0.57	-0.20
ii) Trust	7865	0	7865	0.02	7865	0	7865	0.02	0.00
SUB TOTAL (B)(2):	10208568	794771	11003339	28.13	10226555	785967	11012522	28.16	0.03
Total Public Shareholding(B)=(B)(1)+(B)(2)	10973554	807334	11780888	30.12	10982358	798530	11780888	30.13	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	38309530	807334	39116864	100.00	38318334	798530	39116864	100.00	

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the period (as on 01.01.2015)			Share holding at the end of the period (as on 31.03.2016)			% change in share holding during the period
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total share*	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total share*	
1	Siddharth Shriram	27117959	69.33	2.56	27117959	69.33	2.56	0.00
2.	Siddharth Shriram (Trustee of Enterprise Trust)	216289	0.55	0.00	216289	0.55	0.00	0.00
3.	Roula Shriram	536	0.00	0.00	536	0.00	0.00	0.00
4.	Siel Infrastructure & Estate Developers Pvt. Ltd.	1192	0.00	0.00	1192	0.00	0.00	0.00
	Total Shares	27335976	69.88	2.56	27335976	69.88	2.56	0.00

Note : * The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during the period under review.

Sl. No.		Shareholding at the beginning of the period		Cumulative Shareholding during the period	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the period	27335976	69.88	#	
2.	Date wise Increase/Decrease in Promoters Shareholding during the period specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	#			
3.	At the End of the period	27335976	69.88	#	

Note : # There is no change in the Promoters' Shareholding during the period under review

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholder's Name	Shareholding at the beginning of the period i.e. 01.01.2015		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the period i.e. 31.03.2016	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SIG ESTATE PRIVATE LIMITED	484325	1.24	01-01-2015						
				27-03-2015	-330900	Sale	153425	0.39		
				31-03-2016			153425	0.39	153425	0.39
2	HAR GOVIND GUPTA	475000	1.21	01-01-2015						
				11-03-2016	-75000	Sale	400000	1.02		
				31-03-2016			400000	1.02	400000	1.02

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

S. No.	Shareholder's Name	Shareholding at the beginning of the period i.e. 01.01.2015		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the period i.e. 31.03.2016	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	PUNJAB NATIONAL BANK	443649	1.13	01-01-2015						
				No change in shareholding during the period						
				31-03-2016			443649	1.13	443649	1.13
4	SIG INDUSTRIES LIMITED*	219378	0.56	01-01-2015						
				27-02-2015	-219378	Sale	0	0.00		
				31-03-2016					Nil	Nil
5	ISHWAR DAYAL MITTAL #	Nil	Nil	01-01-015						
				27-02-2015	219378	Purchase	219378	0.56		
				19-03-2015	53087	Purchase	272465	0.70		
				27-03-2015	330900	Purchase	603365	1.54		
				31-03-2016			603365	1.54	603365	1.54
6	KUMAR MANGALAM LAMBORIA #	Nil	Nil	01-01-2015						
				15-01-2016	191228	Purchase	191228	0.49		
				22-01-2016	140770	Purchase	331998	0.85		
				31-03-2016			331998	0.85	331998	0.85
7	LIFE INSURANCE CORP. OF INDIA	170968	0.44	01-01-2015						
				No change in shareholding during the period						
				31-03-2016			170968	0.44	170968	0.44
8	SURESH KUMAR PRITHANI	150000	0.38	01-01-2015						
				No change in shareholding during the period						
				31-03-2016			150000	0.38	150000	0.38
9	RAJU AJIT BHANDARI	99615	0.25	01-01-2015						
				02-01-2015	2872	Purchase	102487	0.26		
				09-01-2015	4521	Purchase	107008	0.27		
				16-01-2015	1606	Purchase	108614	0.28		
				23-01-2015	-1200	sale	107414	0.27		
				30-01-2015	-472	sale	106942	0.27		
				06-02-2015	-624	sale	106318	0.27		
				13-02-2015	-714	sale	105604	0.27		
				27-02-2015	-1100	sale	104504	0.27		
				06-03-2015	-2549	sale	101955	0.26		
				17-04-2015	5787	Purchase	107742	0.28		
				24-04-2015	31	Purchase	107773	0.28		
				26-06-2015	-400	sale	107373	0.27		
				03-07-2015	-600	sale	106773	0.27		
				10-07-2015	-6278	sale	100495	0.26		
				17-07-2015	-19398	sale	81097	0.21		
		24-07-2015	-3435	sale	77662	0.20				
		07-08-2015	-4406	sale	73256	0.19				
		21-08-2015	-2220	sale	71036	0.18				
		28-08-2015	-23653	sale	47383	0.12				

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

S. No.	Shareholder's Name	Shareholding at the beginning of the period i.e. 01.01.2015		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the period i.e. 31.03.2016		
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
				04-09-2015	-7692	sale	39691	0.10			
				09-10-2015	790	Purchase	40481	0.10			
				16-10-2015	17140	Purchase	57621	0.15			
				23-10-2015	2119	Purchase	59740	0.15			
				30-10-2015	13331	Purchase	73071	0.19			
				06-11-2015	364	Purchase	73435	0.19			
				13-11-2015	-410	sale	73025	0.19			
				20-11-2015	-600	sale	72425	0.19			
				04-12-2015	500	Purchase	72925	0.19			
				18-12-2015	4165	Purchase	77090	0.20			
				25-12-2015	-1260	sale	75830	0.19			
				08-01-2016	-2000	sale	73830	0.19			
				15-01-2016	-5975	sale	67855	0.17			
				22-01-2016	-462	sale	67393	0.17			
				29-01-2016	1059	Purchase	68452	0.17			
				05-02-2016	1792	Purchase	70244	0.18			
				12-02-2016	3254	Purchase	73498	0.19			
				19-02-2016	2493	Purchase	75991	0.19			
				26-02-2016	672	Purchase	76663	0.20			
				04-03-2016	4700	Purchase	81363	0.21			
				11-03-2016	-1000	sale	80363	0.21			
				25-03-2016	-60	sale	80303	0.21			
				31-03-2016	-150	sale	80153	0.20	80153	0.20	
10	THE ORIENTAL INSURANCE CO. LTD.	96917	0.25	01-01-2015							
				No change in shareholding during the period							
				31-03-2016			96917	0.25	96917	0.25	
11	GLOBE CAPITAL MARKET LTD	93308	0.24								
				20-11-2015	-12286	Sale	81022	0.21			
				27-11-2015	12263	Purchase	93285	0.24			
				31-03-2016			93285	0.24	93285	0.24	
12	SANTOSH KUMARI *	84475	0.22								
				06-03-2015	-84475	Sale	0	0.00			
				31-03-2016					Nil	Nil	
13	GUINNESS SECURITIES LIMITED	3000	0.01	01-01-2015							
				02-01-2015	500	Purchase	3500	0.01			
				09-01-2015	50	Purchase	3550	0.01			
				16-01-2015	-550	Sale	3000	0.01			
				30-01-2015	400	Purchase	3400	0.01			
				06-02-2015	600	Purchase	4000	0.01			
				13-02-2015	50	Purchase	4050	0.01			
				27-02-2015	-150	sale	3900	0.01			

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

S. No.	Shareholder's Name	Shareholding at the beginning of the period i.e. 01.01.2015		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the period i.e. 31.03.2016	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				06-03-2015	500	Purchase	4400	0.01		
				19-03-2015	100	Purchase	4500	0.01		
				27-03-2015	506	Purchase	5006	0.01		
				17-04-2015	-100	Sale	4906	0.01		
				08-05-2015	-506	Sale	4400	0.01		
				12-06-2015	50	Purchase	4450	0.01		
				24-07-2015	100	Purchase	4550	0.01		
				07-08-2015	-50	Sale	4500	0.01		
				14-08-2015	-100	Sale	4400	0.01		
				30-10-2015	15	Purchase	4415	0.01		
				20-11-2015	-1679	Sale	2736	0.01		
				18-12-2015	-15	Sale	2721	0.01		
				08-01-2016	-100	Sale	2621	0.01		
				15-01-2016	116248	Purchase	118869	0.30		
				29-01-2016	5000	Purchase	123869	0.32		
				05-02-2016	8000	Purchase	131869	0.34		
				12-02-2016	20484	Purchase	152353	0.39		
				19-02-2016	-11448	Sale	140905	0.36		
				26-02-2016	-217	Sale	140688	0.36		
				04-03-2016	-30780	Sale	109908	0.28		
				18-03-2016	-100	Sale	109808	0.28		
				31-03-2016	-650	Sale	109158	0.28	109158	0.28
14	GUINNESS SECURITIES LIMITED	1275	0.00	01-01-2015						
				10-04-2015	25	Purchase	1300	0.00		
				24-04-2015	-25	Sale	1275	0.00		
				10-07-2015	100	Purchase	1375	0.00		
				14-08-2015	-25	Sale	1350	0.00		
				21-08-2015	-50	Sale	1300	0.00		
				28-08-2015	-50	Sale	1250	0.00		
				04-09-2015	12	Purchase	1262	0.00		
				15-01-2016	120902	Purchase	122164	0.31		
				12-02-2016	11925	Purchase	134089	0.34		
				26-02-2016	-283	Sale	133806	0.34		
				04-03-2016	30880	Purchase	164686	0.42		
				18-03-2016	-350	Sale	164336	0.42		
				31-03-2016			164336	0.42		

Note : 1. * Ceased to be part of top ten shareholders as on 31.03.2016
 2.# Not been part of top ten shareholders as on 01.01.2015

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

(V) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholder's Name	Shareholding at the beginning of the period i.e. 01.01.2015		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the period i.e. 31.03.2016	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Dr. Anil Arora* Chief Financial Officer	N.A.	N.A.							
				No change in shareholding during the period						
				31-03-2016					127	0.00

Note : * Dr. Anil Arora was appointed as Chief Financial Officer of the Company w.e.f. 05.11.2015.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. Million)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial period:				
i) Principal Amount	5027.04	-	-	5027.04
ii) Interest due but not paid	709.35	-	-	709.35
iii) Interest accrued but not due	210.70	-	-	210.70
Total (i+ii+iii)	5947.09	-	-	5947.09
Change in Indebtedness during the financial period:				
• Addition	752.66	-	-	752.66
• Reduction	298.11	-	-	298.11
Net Change	454.55	-	-	454.55
Indebtedness at the end of the financial period:				
i) Principal Amount	4802.71	-	-	4802.71
ii) Interest due but not paid	858.02	-	-	858.02
iii) Interest accrued but not due	740.91	-	-	740.91
Total (i+ii+iii)	6401.64	-	-	6401.64

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors (WTD) and/or Manager:

Sl.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
1.	Mr. Dharam Pal Sharma, WTD		
	Gross salary	1124807	1124807
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1124807	1124807
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	1124807	1124807
	Ceiling as per the Act	-	-

B. Remuneration to other Directors:

Sitting fee of Rs.5000/- upto 23.10.2015 and Rs.10000/- Paid to the Directors for attending the Meeting of Board/ Board Committee of the Company.

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount In Rupees
		Prof. Dinesh Mohan	Mr. R.S. Bedi	Mr.Piar Chand Jaswal	Ms.Parmjit Kaur	
1.	Independent Directors					-
	• Fee for attending board/committee meetings	1,05,000	1,45,000	1,45,000	35,000	4,30,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	1,05,000	1,45,000	1,45,000	35,000	4,30,000
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,05,000	1,45,000	1,45,000	35,000	4,30,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

ANNEXURE - IV TO DIRECTORS' REPORT (Contd...)

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole Time Director (WTD):

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Rupees)
		Company Secretary	CFO	
1.	Gross salary	580033	2040000	2620033
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	580033	2027784	2607817
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	12216	12216
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify.	-	-	-
5.	Others, please specify	-	-	-
	Total	580033	2040000	2620033

VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES; Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE - V TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

1. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees and the society at large on the other. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

2. Board of Directors

(a) Composition

The Board of Directors of the Company consisting of 5 Directors. The Board has an ideal composition. It consists of One Executive Director and Four Non-Executive Directors. Three Non-Executive Directors are Independent including Woman Director. The Board of the Company is duly constituted as per the requirements of the Companies Act, 2013 read with rule made thereunder and Regulation 17 of SEBI (LODR) Regulations, 2015. The Board members possess the skills, experience and expertise necessary to guide the Company.

All the Directors have given necessary disclosures as required in the Companies Act, 2013 and rules made thereunder. There is no relationship between the Directors inter-se.

The composition of Board of Directors, their attendance at the Board Meetings held during the 15 months period ended March 31, 2016 and at the last Annual General Meeting held on 23.3.2015 and also the other directorship and membership/ chairmanship of Board committees are as follows:

Director	DIN	Category	No. of Board Meetings Attended (Total meetings held 7)	Attended last AGM	No. of Directorship in other public companies#	No. of Committees position held in other public companies@	
						Member	Chairman
1	2	3	4	5	6	7	8
• Prof. Dinesh Mohan	00077959	Independent Non-Executive	4	No	NIL	NIL	NIL
• Mr. Ravinder Singh Bedi	01408189	Independent Non-Executive	6	Yes	1	NIL	NIL
• Mr. Piar Chand Jaswal*	07100098	Non-Independent Non-Executive	7	Yes	NIL	NIL	NIL
• Mr. Dharam Pal Sharma** (Whole Time Director)	07259344	Executive	4	N.A.	NIL	NIL	NIL
• Mrs. Parmjit Kaur***	06714249	Independent Non-Executive	3	N.A.	NIL	NIL	NIL

Note:

Other directorships exclude directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

@ For this purpose only Audit and Stakeholders' Relationship Committees have been considered as defined under Regulation 26 of SEBI (LODR) Regulations, 2015.

* Appointed as an Additional Director of the Company w.e.f. 18.2.2015 and Director w.e.f. 23.3.2015.

** Appointed as Whole Time Director of the Company w.e.f. 13.8.2015.

*** During the period from 1.4.2015 to 22.10.2015, the Company was in non-compliance of requirement of having at least one woman director on board as required under clause 49(II)(A)(1) (Appointed as an Additional Director of the Company w.e.f. 23.10.2015)

During the period from 1.1.2015 to 17.2.2015 of the Financial period 15 months ended 31.3.2016, the Company was in non-compliance of minimum requirement of Directors as required under clause 49(II)(A)(2).

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

(b) Number of Board Meetings

During the 15 months period ended March 31, 2016, seven board meetings were held on 18.2.2015, 12.5.2015, 13.8.2015, 23.10.2015, 5.11.2015, 11.2.2016 and 21.03.2016. A separate meeting of the Independent Directors of the Company was convened on 29.03.2016 to oversee and review their own performance and of the Board. All the Independent Directors of the Company attended the meeting.

(c) Details of the shareholding of Non-Executive Directors

None of the Non-Executive Directors held any equity shares or convertible instrument of the Company during the 15 months financial period ended on March 31, 2016.

(d) Familiarization programme for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated a Familiarization Program Module ("the programme") for the Independent Directors ("ID") of the Company. The said programme has been duly adopted by the Board of Directors in its meeting held on 11.2.2016.

This programme seeks to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the Company operates, business model of the company, etc., through this programme. The Familiarization Programme for Directors is also placed on the Company's website: www.mawanasugars.com.

(e) Information supplied to the Board

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the Company.
3. Minutes of meetings of Board committees and unlisted subsidiary companies.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

The Board is presented with detailed notes along with the agenda papers.

3. Audit Committee

(a) Terms of Reference

The Company has an Audit Committee which was constituted in 1992 (thereafter reconstituted from time to time) and since then is dealing with the matters prescribed by the Board of Directors. The Committee deals with accounting matters, financial reporting and internal controls. The power, role, delegation, responsibilities and terms of reference of the Audit Committee are as prescribed under Section 177 of the Companies Act, 2013 and also as provided in Regulation 18 of SEBI (LODR) Regulations, 2015.

(b) Composition

Presently, the Audit Sub-Committee comprises of 3 Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors. All the Committee members have sound knowledge of finance and accounting.

The Chairman of the Committee did not attend the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee on the invitation of the Company.

During the 15 months period ended March 31, 2016, the Audit Committee met 5 times on 18.2.2015, 12.5.2015, 13.8.2015, 5.11.2015 and 11.2.2016.

The composition of Committee and their attendance at the Committee meetings held during the period is as under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 5)
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive	3
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive	5
3.	Mr. Piar Chand Jaswal*	Non- Independent/Non-Executive	5

*Appointed as a Member of the Committee w.e.f. 18.2.2015.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

4. Nomination and Remuneration Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Nomination and Remuneration Committee' as required under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The Committee reviews and approves the salaries, commission, service agreements and other employment conditions of the Executive Directors, Key Managerial Personnel (KMP), Advisors etc. The Committee takes into consideration the remuneration practice followed by other companies in the Industry.

(b) Composition

Presently, the Nomination and Remuneration Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors.

The Chairman of the Nomination and Remuneration Committee did not attend the last Annual General Meeting.

During the 15 months period ended March 31, 2016, 2 meetings of the Committee were held on 18.2.2015 and 13.8.2015.

The Company Secretary acts as the Secretary of the Committee.

The composition of the Nomination and Remuneration Committee and their attendance at the Committee Meetings held during the 15 months period ended March 31, 2016 are as under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 2)
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive	2
2	Mr. Ravinder Singh Bedi	Independent /Non-Executive	2
3	Mr. Piar Chand Jaswal*	Non- Independent/Non-Executive	2

*Appointed as a Member of the Committee w.e.f. 18.2.2015.

(c) Remuneration Policy

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy of the Company is also placed on the website: www.mawanasugars.com.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fee of Rs.5,000/- (upto 23.10.2015) and Rs.10,000/- w.e.f. 24.10.2015 for each meeting of the Board/ Committee thereof attended by them.

5. Remuneration to Directors

a) Remuneration to Executive Director

The details of the remuneration to the Executive Director/s provided as per accounts for the 15 months period ended March 31, 2016 is given below:

Sl. No.	Name	Salary and Allowances	Perquisites	Contribution to Provident and other Funds	Total
1.	Mr. Dharam Pal Sharma	10,46,774.00	36,923.00	41,110.00	11,24,807.00

1. Refer note 35 of the financial statements

2. Mr. Dharam Pal Sharma has been appointed as Whole Time Director of the Company w.e.f. 13.8.2015.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

b) Details of the sitting fees paid to the Non-Executive Directors

The details of the sitting fees to the Non-Executive Directors provided as per accounts for the 15 months period ended March 31, 2016 are given below:

Sl. No.	Name	Sitting Fees (Rs.)
1.	Prof. Dinesh Mohan	1,05,000/-
2.	Mr. Ravinder Singh Bedi	1,45,000/-
3.	Mr. Piar Chand Jaswal	1,45,000/-
4.	Mrs. Parmjit Kaur	35,000/-

The Company has not paid any fixed component and performance linked incentives to the Non -Executive Directors during the period.

The Company does not have any Stock Option Scheme.

6. Stakeholders Relationship Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Stakeholders Relationship Committee' as required under the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to shareholders including the redressal of shareholders complaints, share transfers/transmission/issue of duplicate shares etc.

The meeting of this Committee is held frequently to ensure completion of share transfer work within the stipulated period. Besides this, Director/s and Company Secretary have been delegated the power to approve severally the registration of transfer of shares and other related matters upto 500 shares per case.

(b) Composition

Presently, the Stakeholders Relationship Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors.

During the 15 months period ended March 31, 2016, the Committee met 9 times on 5.3.2015, 28.3.2015, 30.4.2015, 27.5.2015, 4.7.2015, 3.8.2015, 8.9.2015, 5.11.2015 and 15.1.2016.

The Company Secretary acts as the Secretary of the Committee.

The composition of the Committee and their attendance at the Committee meetings held is under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 9)
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive	6
2.	Mr. Ravinder Singh Bedi	Independent /Non-Executive	7
3.	Mr. Piar Chand Jaswal*	Non-Independent/Non-Executive	8

*Appointed as a Member of the Committee w.e.f. 18.2.2015.

Mr. Ashok Kumar Shukla, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

Mawana Sugars Limited
Plot No.3, Institutional Area,
Sector-32, Gurgaon-122001 (Haryana)
Tel: 0124-4298000
E-mail: corporate@mawanasugars.com

During the 15 months period ended March 31, 2016, 27 complaints were received from the shareholders. All complaints were replied/resolved to the satisfaction of the shareholders. No complaints are pending as at the end of the financial period.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

7. Corporate Social Responsibility Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Corporate Social Responsibility Committee' (CSR Committee) as required under Section 135 of the Companies Act, 2013. The purpose of the Committee is to formulate and monitor the CSR policy of the Company.

The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website www.mawanasugars.com.

(b) Composition

Presently, the CSR Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors.

No meetings of the Committee were held during the period.

The composition of the Committee is as under:

Sl. No.	Name of the Director	Category
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive
3.	Mr. Piar Chand Jaswal*	Non- Independent/Non-Executive

*Appointed as a Member of the Committee w.e.f. 18.2.2015.

The Company Secretary will acts as the Secretary to the Committee.

8. Risk Management Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Risk Management Committee' as required under Regulation 21 of SEBI (LODR) Regulations, 2015.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, oversight the Enterprise Risk Management System and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigates thereof.

(b) Composition

Presently, the CSR Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors.

No meetings of the Committee were held during the period.

The composition of the Committee is as under:

Sl. No.	Name of the Director	Category
1.	Prof. Dinesh Mohan* - Chairman	Independent /Non-Executive
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive
3.	Mr. Piar Chand Jaswal**	Non- Independent/Non-Executive
4.	Mr. D.C. Popli***	Employee
5.	Mr. B.B. Mehta***	Employee

*Appointed as a Chairman of the Committee w.e.f. 18.2.2015.

**Appointed as a Member of the Committee w.e.f. 18.2.2015.

***Resigned from the services of the Company w.e.f. 5.9.2015 & 9.7.2015 respectively.

The Company Secretary will acts as the Secretary to the Committee.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

9. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle Blowers

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for directors and employees to report unethical behaviour and actual or suspected frauds, the Company has established a Vigil Mechanism with effect from 14.5.2014 in terms of Section 177(9) of the Companies Act, 2013 and Companies (Meetings of Board and it Powers) Rules, 2014.

The Whistle Blower (Vigil) mechanism broadly covers the detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the directors and employees who report such fraudulent activities / unethical behaviour.

10. General Body Meeting

(i) The last three Annual General Meetings were held as under:

Financial Year	Location	Date & Time	Special Resolution Passed
2013-14 (15 months)	Shriram Bharatiya Kala Kendra(Lawn), 1, Copernicus Marg, Mandi House, New Delhi-110001	23.3.2015 & 10.00 A.M.	No special resolution was passed during the financial period 2013-14.
2012-2013	Kamani Auditorium 1, Copernicus Marg, New Delhi – 110001	16.12.2013 & 11.30 A.M.	Ratification/approval for re-appointment and payment of the remuneration paid to Mr. Sunil Kakria, Managing Director of the Company during the period from 7.1.2013 to 31.7.2013 (his resignation date).
2011-2012 (18 months)	FICCI Auditorium Federation House, Tansen Marg, New Delhi-110001	19.12.2012 10.30 A.M.	<ul style="list-style-type: none">- Ratification/approval of the remuneration paid/to be paid to Mr. Sunil Kakria, Managing Director of the Company during the previous period from 1.7.2011 to 7.1.2013.- Ratification/approval of the remuneration paid to Mr. A.K. Mehra, Whole Time Director of the Company during the previous period from 1.7.2011 to 14.10.2012.- Re-appointment of Mr. Siddharth Shriram, Managing Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012.- Re-appointment of Mr. A.K. Mehra, Whole Time Director of the Company for a period of 5 years and payment of the remuneration for a period of 3 years w.e.f. 15.10.2012.

(ii) Resolution passed through Postal Ballot

During the 15 months period ended March 31, 2016, no special resolution was passed through Postal Ballot process. There is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through Postal Ballot.

11. Means of Communication

(a) Quarterly results

The Quarterly/Annual Audited Results are published in national and local newspapers, namely The Business Standard (English and Hindi), having wide circulation. Since the Results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.

The Company's Results and official news releases are displayed on the Company's website namely www.mawanasugars.com.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

(b) The NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Corporate Compliance and Listing Centre (the 'Listing Centre') of the BSE Ltd. (BSE)

The NEAPS and the Listing Centre of BSE are web based application designed by NSE and BSE respectively for Corporates. All periodical compliances/filings are filed electronically on NEAPS and the Listing Centre of BSE.

(c) A Management Discussion and Analysis report, which forms a part of the Annual Report, is given by means of a separate Annexure and is attached to the Directors' Report.

12. General Shareholders' Information

(i) Annual General Meeting is proposed to be held on 13.6.2016 at 11.00 A.M. at Shriram Bharatiya Kala Kendra (Lawn), 1, Copernicus Marg, Mandi House, New Delhi - 110001 .

(ii) Financial Calendar for the year 2016-2017

Accounting year	April 1, 2016 to March 31, 2017
First Quarter results	Upto 14th August, 2016
Second Quarter results	Upto 14th November, 2016
Third Quarter results	Upto 14th February, 2017
Annual Results	Upto 30th May, 2017 (Audited)

(iii) Date of Book Closure 7.6.2016 to 13.6.2016 (both days inclusive)

(iv) Listing on Stock Exchanges:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE), Mumbai.

Stock Code at BSE: 523371 and NSE: MAWANASUG

Listing fees upto the year 2016-2017 has been paid to BSE & NSE.

(v) Stock Market Data for the 15 months period ended March 31, 2016

Monthly High and Low quotation and volume of Company's Share on BSE/NSE and BSE Sensex/NSE Nifty are as under:

Month & Year	BSE			SENSEX		NSE			NIFTY	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
Jan-15	11.94	9.55	125548	29844.16	26776.12	11.90	9.35	127061	8996.60	8065.45
Feb-15	10.90	8.60	85425	29560.32	28044.49	11.30	8.35	154901	8941.10	8470.50
Mar-15	9.49	6.60	208152	30024.74	27248.45	9.60	6.10	253427	9119.20	8269.15
Apr-15	8.00	6.21	236330	29094.61	26897.54	8.10	6.50	365058	8844.80	8144.75
May-15	7.88	5.69	60096	28071.16	26423.99	8.00	6.20	86322	8489.55	7997.15
Jun-15	8.34	6.30	77608	27968.75	26307.07	9.00	6.00	217225	8467.15	7940.30
Jul-15	7.39	6.50	142794	28578.33	27416.39	7.50	6.20	190944	8654.75	8315.40
Aug-15	8.40	6.20	70108	28417.59	25298.42	8.75	5.65	235270	8621.55	7667.25
Sep-15	7.39	6.06	45032	26471.82	24833.54	7.70	6.35	81690	8055.00	7539.50
Oct-15	15.00	7.00	447804	27618.14	26168.71	15.00	6.80	1266299	8336.30	7930.65
Nov-15	25.50	12.10	1482070	26824.30	25451.42	25.45	11.75	2978757	8116.10	7714.15
Dec-15	18.55	15.20	303332	26256.42	24867.73	18.50	15.25	693264	7979.30	7551.05
Jan-16	28.70	17.80	1076717	26197.27	23839.76	28.45	17.45	1598578	7972.55	7241.50
Feb-16	25.40	16.25	202963	25002.32	22494.61	23.50	16.25	549503	7600.45	6825.80
Mar-16	25.65	18.25	429112	25479.62	23,133.18	25.50	17.60	926953	7777.60	7035.10
TOTAL			4993091					9725252		

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

(vi) Registrar and Transfer Agent

In compliance of SEBI requirements, Mas Services Limited has been appointed as the Registrar and Share Transfer Agent of the Company who handles share transfer work in Physical as well as in Electronic Form and other related activities at Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020, Phone No.:011-26387281-83, Fax No.:011-26387384, Website: www.masserv.com, E-mail: info@masserv.com

(vii) Share Transfer System

All valid share transfers are registered and duly transferred share certificates are dispatched within a period of 15 days from the date of receipt.

(viii) Investors' Service

The Company has a system of attending and redressing all investors' grievances/ correspondence within a period of 10 days from the date of receipt of the same.

No complaints/grievances are pending as on date.

(ix) Distribution of shareholding as on March 31, 2016

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	53324	95.81	2532619	6.47
501-1000	1060	1.90	838450	2.14
1001-2000	631	1.13	947335	2.42
2001-3000	204	0.37	515875	1.32
3001-4000	89	0.16	317536	0.81
4001-5000	96	0.17	451396	1.16
5001-10000	127	0.23	924815	2.37
10001 and above	127	0.23	32588838	83.31
Total	55658	100.00	39116864	100.00

(xi) Categories of shareholders as on March 31, 2016

Sl. No.	Category	No. of Shares held	% of shareholding
1	Promoters' Shareholding	27335976	69.88
2	Non-Promoter shareholding		
(a)	Mutual Funds/Financial Institutions/Banks/ Insurance Companies/Foreign Banks	768366	1.96
(b)	Bodies Corporate	1622191	4.15
(c)	Individuals	9160807	23.42
(d)	NRIs/OCBs/Foreign Nationals/Trusts	229524	0.59
	Total	39116864	100.00

(xii) Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2016, a total of 3,83,18,334 equity shares of the Company, which forms 97.96% of the equity share capital, stand dematerialized.

Under the depository system, the ISIN allotted to the Company's equity shares is INE636A01039.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

(xiii) Plant Location:

Sugar Factories:

- i) Mawana Sugar Works,
Mawana, Distt. Meerut – 250402 (U.P.)
- ii) Titawi Sugar Complex,
Village & P.O. Titawi, Distt. Muzaffarnagar - 251301 (U.P.)
- iii) Nanglamal Sugar Complex, Garh Road,
Village Nanglamal, Distt. Meerut – 250001 (U.P.)

Chemical Factory:

Siel Chemical Complex,
Charatrapur, Vill. Khadauli/Sardargarh,
P.O. Box No.52, Rajpura, Distt. Patiala, Punjab –140401

(xiv) Investors' correspondence may be addressed to:

Mr. N. K. Rastogi, Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi –110020,
Phone No. : 011-26387281-83, Fax No. : 011-26387384, website: www.masserv.com, E-mail: info@masserv.com

13. Disclosures

(i) Related Party Transactions

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and in Regulation 23 of the SEBI (LODR) Regulations, 2015. During the financial period 31.3.2016 (15 months), there are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. Related party transactions have been dealt with in note no. 35 to the Financial Statements. These transactions are not in conflict with the interest of the Company.

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at www.mawanasugars.com.

- (ii) There were no material instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to the capital markets, during the last three years.

(iii) Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013, as applicable, and are based on the historical cost convention.

(iv) Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to inter alia, prevent insider trading in the shares of the Company.

(v) Code of Conduct

The Company has adopted a Code of Conduct (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. The Code has also been posted on the Company's Website.

(vi) CEO/CFO Certification

Mr. Dharam Pal Sharma, Whole Time Director and Dr. Anil Arora, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under SEBI (LODR) Regulations, 2015 and the Board took the same on record.

(vii) Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and / or independent Directors for the period under report.

14. Non-mandatory Clauses

The Company has not adopted any of the non-mandatory requirements as in SEBI (LODR), Regulations, 2015.

On behalf of the Board of Directors

(Dharam Pal Sharma)

Whole Time Director

(DIN: 07259344)

(Dinesh Mohan)

Director

(DIN: 00077959)

Place : New Delhi

Dated : 10.5.2016

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

CORPORATE GOVERNANCE REPORT FOR THE 15 MONTHS PERIOD ENDED MARCH 31, 2016

DECLARATION

We, Dharam Pal Sharma, Whole-Time Director and Dr. Anil Arora, Chief Financial Officer of the Company hereby declare that the Code of Conduct adopted by Mawana Sugars Limited for its Board Members and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

Place : New Delhi
Dated: 10.5.2016

(Dharam Pal Sharma)
Whole Time Director
(DIN: 07259344)

(Dr. Anil Arora)
Chief Financial Officer

INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF MAWANA SUGARS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **Mawana Sugars Limited** ("the Company"), for the 15 months period ended March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from January 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from January 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. During the fifteen months period ended March 31, 2016, the Company was in non-compliance of clause 49(II)(A)(2) and clause 49(II)(A)(1) of Listing Agreement, due to contravention of the provisions regarding –
 - Minimum requirement of Directors during the period January 1, 2015 to February 17, 2015 and
 - Requirement of having at least one woman director on board during the period April 1, 2015 to October 22, 2015.

Subject to the above, in our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the 15 months period ended March 31, 2016.

ANNEXURE - V TO DIRECTORS' REPORT (Contd...)

5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For A.F. Ferguson & Co.
Chartered Accountants
(Firm Registration No. 112066 W)

Manjula Banerji
Partner
(Membership No. 86423)

Place : New Delhi
Dated : 10.5.2016

CEO/CFO CERTIFICATION - FINANCIAL PERIOD ENDED MARCH 31, 2016 (15 MONTH)

We, the undersigned, in our respective capacities as Whole Time Director and Chief Financial Officer of Mawana Sugars Limited ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial period ended 31.3.2016 (15 months) and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the financial period ended 31.03.2016 (15 months) which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the period;
 - (2) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Mawana Sugars Limited

(Dharam Pal Sharma)
Whole Time Director
(DIN: 07259344)

(Dr. Anil Arora)
Chief Financial Officer

Place : New Delhi
Dated : 10.5.2016

ANNEXURE - VI TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SUGAR BUSINESS

Sugar Season 2015-16

The Cane price continues to remain closely controlled by the Central and State Government. The central government announced Fair and Remunerative Price (FRP) in some states like Karnataka and Maharashtra and State Advised Price (SAP) is followed in states like Uttar Pradesh, Tamilnadu.

Similarly, in UP mills have aggressively represented to Government & public in general highlighting the most distressing situation of their financial performance where they cannot pay more than Rs.220/qtl but the UP Govt kept cane price same at last season of Rs.280/qtl with initial payment of Rs.230/ qtl is to be paid within 14 days and thereafter interest will be charged @ 14%p.a.

- Balance Rs. 50/qtl is to be paid within 3 months of the end of crushing season.
- Out of balance Rs. 50/qtl, Govt will directly incur Rs.11.70/qtl as incentive to mills viz Rs.6.90/qt cane society commission, Rs.2.0/qtl cane purchase tax and Rs.2.80/qtl entry tax on sugar.
- Rs.23.30/qtl, shall be considered by high level state committee on the basis of average price of sugar, molasses, bagasse, press mud over a period of 8 months i.e. from (October, 2015 to May, 2016)
- Rest balance of Rs.15/qtl shall be paid by the mills directly to the farmers.

Sugar Season 2015-16 opened with stock of 9.0 Mn Tons, with likely production in 2015/16 at 25.6 Mn Tons, domestic consumption of 26.0 Mn Tons, exports of 1.5 Mn Tons, closing stock would be 7.0 Mn Tons.

Production in 2016-17, is expected to be further down to 24.0 Mn Tons and with opening stock of 7.0 Mn Tons, domestic consumption of 26.5 Mn Tons, closing stock will be 4.5 Mn Tons which will be less than 2 months. Hence there will be need to import sugar in 2016-17.

In view of the inventory levels with the sugar industry and to facilitate achievement of financial liquidity, GOI announced exports of 4.0 Mn Tons by specifying Minimum Indicative Export Quotas (MIEQ) of each mill. Mills who undertake minimum 80% exports of the MIEQ notified by Food Ministry will be entitled for production subsidy of Rs.4.50/qtl on cane crushed to offset cane cost to be paid directly to farmers. Total exports expected to be around 1.5 MN Tons. GOI has increased sugar cess by Rs.100/qtl to fund the production subsidy. Exports provided support to sugar prices.

World sugar will see a first deficit after surplus of 5 years. 2015-16 is likely to see a deficit of 5-8 Mn Tons due to impact of El Nino in Brazil, Thailand, EU, China and India. Production is seen at 167 Mn Tons and consumption at 173 Mn Tons.

Distillery Business:

Government of India seems committed to increase ethanol blending in the near future and has given fresh incentives for this i.e. exemption of excise duty, easing the tendering process, remunerative ethanol pricing. With these ethanol blending in the country is heading to reach 5% from 3% achieved so far (but issues related to state excise still remain unresolved).

Price of ethanol has improved to about Rs.46/lt from Rs. 35/lt (ex works).

The Effluent Treatment Plant (ETP) capacity of our distillery still remains a constraint. This is mainly due to unseasonal rains and tightening on pollution norms by Central Pollution Control Board (CPCB) in view of Prime Minister's Clean Ganga Project and National Green Tribunal (NGT) and CPCB's directions to meet Fertilizer Control Order (FCO) norms.

This year we have planned to make a shed to cover the compost yard and install condensate recycling plant etc. at cost Rs. 27 Cr.

Once this project is implemented ethanol production capacity shall be enhanced significantly and we hope to achieve 30,000KL/yr from present level of 20,000KL/yr.

CHLOR ALKALI DIVISION

Industry Structure and Development

A) Products

The Chlor-Alkali is a basic heavy Chemical Industry comprising of products such as Caustic soda, Chlorine, Hydrogen and Hydrochloric acid. These products are basic building blocks in the Chemical processing industry and are used in diverse industrial sectors, either as raw materials or intermediates or auxiliary chemicals.

Caustic Soda is used in Alumina, Pulp & Paper, Textile, Soap, Edible Oil Refineries, Dyes & Chemicals, Drugs & Drug Intermediates, Thermal Power Plants etc. whereas Chlorine is used in PVC, CPW, Pulp & Paper, Pesticides, Chloromethane, Water purification, Stable Bleaching Powder, Aluminum Chloride, and Chlorinated Solvents etc. Hydrochloric Acid is used in Steel Pickling, Water Treatment, and Effluent Treatment in Chemical Process industries, Thermal Power Plants etc., while Hydrogen is used in Hydrogenated Vegetable Oils, Sorbitol, Stearic Acid, Pesticides, Filament Lamps, Picture tubes, Steel units and Power Plants.

The Chlor-Alkali sector plays an important role in the overall development of the economy. It contributes immensely to the manufacturing sector and to the external trade of the country. The Chlor-Alkali industry is a sector providing inputs to a large number of other end user industries and the demand of its products is linked to the performance of the end user products of these industries.

ANNEXURE - VI TO DIRECTORS' REPORT

The prices of the products, especially Caustic Soda are influenced by import parity along-with domestic demand-supply situations

B) Industry Size

In India, as on 31.03.2015, there were a total of 34 Caustic Soda plants in operation. The installed capacity of Caustic Soda industry in the Country was 3.39 Million MT as on 31.03.2015, as compared to 3.31 Million MT on 31.03.2014. There was an increase of 2.5% in the installed capacity during the year 2014- 15 as compared to the previous year. During the year, the domestic production was 2.76 Million MT Caustic Soda representing 81.5% utilization of the installed capacity. There was an increase of 5.5% in production by 0.143 Million MT during the year 2014-15 as compared to the previous year. The total demand of Caustic Soda was 3.23 Million MT, which grew by 9.4% over the previous year.

The Caustic soda production and capacity utilization for last five years is as follows:

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Capacity Utilisation %	76.3	81.8	81.1	79.1	81.5
Production (Million MT)	2.46	2.56	2.54	2.62	2.76

C) Market Scenario and Outlook

The Caustic and Chlorine markets during the period Jan'15 – March'16 witnessed a volatile scenario; Caustic prices remained weak in QE March'15, however, improved in QE June'15. Prices again came under pressure during QE Sep'15 and QE Dec'15, but increased substantially in QE March'16. Imports on West Coasts played a major role in determining prices due to its impact on supplies side.

2015 – 16 witnessed increase in demand of Caustic from Paper, Aluminium and textile segments, but Chlorine demand remained sluggish throughout the period.

The Caustic Soda consuming segments like Paper, Alumina and Textiles are expected to continue better performance in the coming year also. The capacity expansions in West zone during 2016-17 would however keep the prices under check. The demand of Chlorine in the PVC and CPW segments will improve with exports of CPW to various countries, but the prices will remain under pressure, due to surplus availability and volatility in the demand in the end-user segments.

D) Power Scenario

Power being one of the major raw material and has major effects the input cost. The power availability from the grid in the State and National level was good due to new

capacities added at both levels .The availability of open access was good during the period and help to keep control on input cost to some extent. But lately in QE June'15 PSPCL has levied 5 % PIDB cess on power which has approx. Rs. 60 lac impact on monthly basis.

During the period Jan'15 – March'16 availability of Open Access power for the initial 5-6 months was good, but then came the 5th amendment of Open Access regulation, which lead to collapse of open access power from June'15 onwards. Though the power cost benefitted a bit due to TOD tariff applicability after Oct'15 – March'16, but open access power volumes are low due to amendments in open access regulations. State Electricity Boards is adopting measures to restrict open access power.

E) Risks and Concerns

The crude oil prices have stabilized at a lower level globally are not going down any further. Majority of power suppliers to Caustic Soda plants are coal based which is not eco friendly and therefore is subjected to levy of taxes and cess from Govt. Hence the coal based power cost is also going up thereby increasing the cost of Caustic Soda and Chlor, worldwide.

Distillery is supplying ethanol to Oil Marketing Companies (OMCs). Entire movement of product as well as raw material is very closely controlled by State Excise which keeps on putting hindrances in the movement of these goods, which affects our business adversely.

Distillery is classified as highly polluting industry. The pollutions norms are being constantly revised by the Government. This can result in loss of production and additional investment to meet the changing norms.

In 2013, the Company Accounts with the lenders have been classified as Non-performing Assets NPA (the principle amount outstanding Rs.450 crores). This excludes the SDF Loan (at present outstanding against which is Rs.45 crores). Ever since, this has been tremendous pressure from the lenders for repayment of the outstanding debt.

Owing to various reasons relating to arrears of cane dues of farmers, the farmers of the Company's reserved cane areas are not supplying the requisite cane to all its three factories. As a result of such short supply of cane crushed at all three factories of the Company is adversely affected which will result in lower production of sugar power molasses, press mud, bagasse and also result in lower efficiencies.

F) SWOT Analysis

Strengths

- Located in sugarcane rich belt of Western UP with high sugared varieties of cane

ANNEXURE - VI TO DIRECTORS' REPORT

- Integrated sugar plants producing ethanol, supplying green power to the State grid
- Multiple product range with specialty sugars catering to food and pharma industry

Weaknesses

- Strong governmental control on cane prices
- High cane arrears resulting less cane supply
- Manpower constraint at senior management remain due to coercive action by State Government

Opportunities

- Higher value by-products
- Potential to increase cane productivity by varietal change to increase sugar recovery
- Technology up-gradation in sugar and by-product utilization
- Increasing ethanol demand

Threats

- Unfavourable Government regulations towards cane pricing, raw sugar imports and sugar exports
- Rising cane payment arrears may force farmers shifting their preference to other crops or even diverting their cane to other mills/Kohlus resulting in lower cane availability.
- Impact on domestic operations due to raw sugar imports
- Dependency on high sugared cane variety CO0238 in U.P may lead to monoculture.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls, which provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides an external firm which is carrying out internal audits. The internal auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board for its implementation and effectiveness.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Extensive use of SAP and other software systems have also resulted in strengthening the internal controls and accurate reporting of operational and financial data.

HUMAN RESOURCES

Due to precarious situation of the Industry more particularly of the Company attrition rate is very high. Besides, coercive

action against most of the officers of the Company is creating huge problem in the operation of the factory. Last year employees decided to stop the operations of the factories due to pressure of local police and administration on them and their families beyond their tolerance limit.

As a result, many top management officers have left the company and some more are in process of quitting the company. In spite of our best intention to run our factories in the larger interest of farmers and employees of the company and other business associates, no official is happily willing to work for the sugar industry due to FIRs and possible harassment in this regard.

In spite of the adverse situation of the company, we are managing the situation by adopting matrix management methodology and factories operations are now getting managed through management committee.

Various employee engagement activities and training programmes were continued to motivate and keep the moral of the employees upbeat in the present adverse condition.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussions & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include change in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAWANA SUGARS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAWANA SUGARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the fifteen months period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the fifteen months period ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Attention is invited to note 1(B) of the standalone financial statements regarding the Company being registered with Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Company's net worth has been eroded and the Company had incurred cash losses during the prior periods and its current liabilities are in excess of current assets. However during the current period the Company has generated profits and has restructured a major portion of its outstanding debts as detailed in the said note. As such, the financial statements have been prepared by the Management of the Company on a going concern basis for the reasons stated in the said note.
2. Attention is invited to note 39 (i) of the standalone financial statements which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former Chairman and Managing Director for which a refund of Rs 7.04 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Company.
3. Attention is invited to note 39 (ii) of the standalone financial statements which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former Whole Time Director for which a refund amounting to Rs 6.61 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Company.
4. Attention is invited to note 39 (iii) of the standalone financial statements. As stated in the note, remuneration paid to Whole Time Director amounting to Rs. 1.08 million is subject to the approval of shareholders' and Central Government under the provisions of Companies Act 2013.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.

INDEPENDENT AUDITORS' REPORT (Contd.)

- e) The going concern matter described in sub paragraph (1) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 28 (a) and (c) to the financial statement.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 44 to the financial statements.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 45 to the financial statements.
- (ii) In respect of its inventory:
- As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no sale of services during the period. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company does not have any outstanding deposits during the period and has not accepted any deposits during the period.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under Section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Manjula Banerji
Partner

(Membership No.086423)

Date : 10th MAY, 2016

Place : NEW DELHI

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - As explained to us, the Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the period. According to the information and explanations given to us no material discrepancies were noticed on such verification.

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) There are no disputed dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute.

The details of dues of Sales Tax, Income-tax, Service Tax and Excise Duty which have not been deposited as at March 31, 2016 on account of disputes are given below:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
1	Sales Tax Laws	Sales Tax	6.36	-	2009-10 to 2013-14	High Court Appellate Authority upto Commissioner's level Tribunal
			84.22	10.64	1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2011-12 and 2012-13	
			2.53	-	1978-79 & 1979-80	

INDEPENDENT AUDITORS' REPORT (Contd.)

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
2	Income Tax Laws	Income Tax	30.28	30.28	1998-99	High Court
3	Central Excise Laws	Excise Duty	10.35	-	2007-08 to 2014-15	High Court
			133.33	0.40	1998-99, 2001-02 and 2005-06 to 2011-12	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			1.04	-	1999-2000 to 2002-03	Supreme Court
			129.04	0.55	1981-82 to 1984-85, 1994-95 to 1997-98, 1999-00, 2001-02, 2004-05 and 2006-07 to 2015-16	Appellate Authority upto Commissioner's level
		Service Tax	0.19	-	2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			17.24	0.02	2005-06 to 2015-16	Appellate Authority upto Commissioner's level

Period in respect of income tax represents assessment year.

The following matters which have been excluded from the above table have been decided in favour of the Company but the department has preferred appeal at higher level:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2	Income Tax Laws	Income Tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year.

- (d) There were no amounts which were required to be transferred into the Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within the time.
- (viii) The accumulated losses of the Company at the end of the period i.e. March 31, 2016 are not less than fifty percent of its net worth and the Company has not incurred cash losses during the fifteen months period ended March 31, 2016. During the previous fifteen months period ended December 31, 2014 the Company had incurred cash losses.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company, during the period, has not defaulted in repayment of dues to financial institutions and has not issued debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantees during the period for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the period for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

Manjula Banerji
Partner
(Membership No. 086423)

During the period ended March 31, 2016, the Company has defaulted in repayment of following loans to banks:

Date : 10th MAY, 2016
Place : NEW DELHI

Lender	Amount (Rs. Million)	Period of Delays up to March 31, 2016 (in days)
Banks (including interest)	1766.84	1- 974 days

Mawana Sugars Limited

BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	391.17	391.17
Reserves and surplus	3	(4,204.01)	(4,226.15)
		(3,812.84)	(3,834.98)
Non - current liabilities			
Long - term borrowings	4	2,455.71	909.42
Other long term liabilities	5	679.95	158.24
Long - term provisions	6	101.31	111.03
		3,236.97	1,178.69
Current liabilities			
Short - term borrowings	7	468.44	1,961.32
Trade payables			
- Dues of micro enterprises and small enterprises	46	16.98	11.55
- Dues of Creditors other than micro enterprises and small enterprises	8	7,146.77	6,543.38
Other current liabilities	9	3,467.87	3,461.31
Short - term provisions	10	44.14	45.53
		11,144.20	12,023.09
TOTAL		10,568.33	9,366.80
ASSETS			
Non - current assets			
Fixed assets	11		
- Tangible assets		4,408.36	4,735.86
- Capital work in progress		28.05	12.05
		4,436.41	4,747.91
Non - current investments	12	332.76	292.76
Long - term loans and advances	13	236.10	179.89
Other non - current assets	14	12.94	9.67
		5,018.21	5,230.23
Current assets			
Inventories	15	4,168.12	2,905.51
Trade receivables	16	724.93	513.53
Cash and cash equivalents	17	430.88	414.00
Short - term loans and advances	18	218.09	282.84
Other current assets	19	8.10	20.69
		5,550.12	4,136.57
TOTAL		10,568.33	9,366.80

Accompanying notes 1 to 49 are an integral part of the financial statements

In terms of our report attached
For **A.F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

MANJULA BANERJI
Partner
(Membership No. 086423)

ASHOK KUMAR SHUKLA
Company Secretary

PARMJIT KAUR
Director
(DIN: 06714249)

DINESH MOHAN
Director
(DIN: 00077959)

Date : 10th May, 2016
Place : New Delhi

DR. ANIL ARORA
Chief Financial Officer

PIAR CHAND JASWAL
Director
(DIN: 07100098)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

STATEMENT OF PROFIT AND LOSS FOR FIFTEEN MONTHS ENDED MARCH 31, 2016

	Note No.	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
REVENUE			
Revenue from operations (Gross)	20	15,778.90	14,790.91
Less: Excise duty		932.53	784.35
Revenue from operations (Net)		14,846.37	14,006.56
Other income	21	95.50	87.30
TOTAL REVENUE		14,941.87	14,093.86
EXPENSES			
Cost of materials consumed	22	11,049.95	11,142.81
Changes in inventories of finished goods and work in progress	23	(1,275.11)	(521.90)
Employee benefits expense	24	898.60	938.79
Finance costs	25	767.78	768.88
Depreciation and amortization expense	11	379.32	609.64
Other expenses	26	3,099.19	2,961.73
TOTAL EXPENSES		14,919.73	15,899.95
Profit/(Loss) before tax		22.14	(1,806.09)
Tax expense:			
Provision relating to earlier periods		-	0.01
Profit/(Loss) for the period		22.14	(1,806.10)
Earnings per equity share - basic/diluted (Rs.) (Face value Rs. 10 per share)	34	0.57	(46.17)

Accompanying notes 1 to 49 are an integral part of the financial statements

In terms of our report attached
For A.F. Ferguson & Co.
 Chartered Accountants
 (Firm's Registration No. 112066W)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
 Whole Time Director
 (DIN: 07259344)

MANJULA BANERJI
 Partner
 (Membership No. 086423)

ASHOK KUMAR SHUKLA
 Company Secretary

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 (DIN: 00077959)

Date : 10th May, 2016
 Place : New Delhi

DR. ANIL ARORA
 Chief Financial Officer

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 Director
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RAVINDER SINGH BEDI
 Director
 (DIN: 01408189)

Mawana Sugars Limited

CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
A. Cash flow from operating activities :		
Profit / (Loss) before tax	22.14	(1,806.09)
Add: Depreciation and amortisation expense	379.32	609.64
Finance costs	752.66	768.88
Provision for doubtful trade and other receivables, loans and advances	6.61	-
Loss on sale / write off of assets	0.96	0.33
Less: Interest income	33.54	30.68
Liabilities / provisions no longer required written back	15.52	3.70
Profit on sale of fixed assets	0.04	0.02
Operating profit/(loss) before working capital changes	1,112.59	(461.64)
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,262.61)	(519.83)
Trade receivables	(218.01)	(100.00)
Short-term loans and advances	64.75	(129.52)
Long-term loans and advances	(16.78)	11.81
Other non-current assets	(3.27)	(1.18)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	608.82	3,467.94
Other current liabilities	141.27	93.27
Other long-term liabilities	1.38	1.27
Short-term provisions	(1.39)	(10.52)
Long-term provisions	(9.72)	(1.70)
Cash generated from operations	417.03	2,349.90
Direct taxes (paid)/refund received	(5.90)	4.06
Net cash flow from/(used in) operating activities (A)	411.13	2,353.96
B. Cash flow from investing activities :		
Capital expenditure on fixed assets, including capital advances	(108.71)	(52.33)
Proceeds from sale of fixed assets	6.44	0.37
Bank balances not considered as Cash and cash equivalents	14.88	(115.98)
Net (increase)/decrease of non-current investments	(40.00)	-
Interest received	46.13	16.24
Net cash flow from / (used in) investing activities (B)	(81.26)	(151.70)
C. Cash flow from financing activities :		
Repayment of long term borrowings- secured	(242.29)	(220.28)
Net increase / (decrease) in working capital borrowings	(30.01)	(1,757.24)
Finance costs paid	(25.81)	(80.42)
Net cash flow from / (used in) financing activities (C)	(298.11)	(2,057.94)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	31.76	144.32
E. Cash and cash equivalents (refer Note 17)	200.54	56.22
Cash and cash equivalents at the beginning of the period	200.54	56.22
F. Cash and cash equivalents (refer Note 17)	232.30	200.54
Cash and cash equivalents at the end of the period	232.30	200.54
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	31.76	144.32

Note: The above Cash Flow Statement has been prepared under the "indirect methods" as set out in the Accounting Standard (AS-3) on "Cash Flow Statement"

In terms of our report attached
For **A.F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

MANJULA BANERJI
Partner
(Membership No. 086423)

ASHOK KUMAR SHUKLA
Company Secretary

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(DIN: 00077959)

Date : 10th May, 2016
Place : New Delhi

DR. ANIL ARORA
Chief Financial Officer

PIAR CHAND JASWAL
Director
(DIN: 07100098)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

1. (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous period.

b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Company to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Fixed assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project ready for its intended use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

d) Depreciation and amortization:

i. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013.

ii. Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation of the asset and in case of assets costing up to Rs. 5,000 each such asset is fully depreciated in the period of purchase.

e) Investments:

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

f) Inventories:

Inventories are valued at lower of cost and net realisable value.

Cost of inventory is ascertained on the 'weighted average' basis. Further, in respect of manufactured inventories i.e. process stocks and finished goods, an appropriate share of manufacturing expenses is included on absorption costing basis including excise duty.

g) Revenue recognition:

Sale of goods is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Renewable Energy Certificate (REC) is to be recognised as income on sale of REC.

h) Research and development expenditure:

Revenue expenditure on research and development is expensed out under the respective heads of account in the period in which it is incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

i) Employee benefits:

Defined contribution plans

The Company's contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service.

j) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such setoff. Deferred tax assets are reviewed at each balance sheet date for their realisability.

k) Foreign exchange transactions:

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (i.e. receivables, payables, loans etc) of the Company outstanding at the Balance Sheet date are restated at the period-end rates.

Treatment of exchange differences

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

from rates at which these were initially recorded/reported in previous financial statements are recognised as income/expense in the period in which they arise.

Accounting of forward contracts

In case of forward contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognised as income/expense during the period.

l) Pre-operative expenses:

Pre-operative expenses, pending allocation represents indirect expenditure incurred during the construction periods which are allocated to capital/revenue on commissioning of the project.

m) Operating Lease:

Operating Lease receipts and payments are recognized as income or expense in the Statement of Profit and Loss on a systematic basis over the lease term.

n) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

o) Earnings per share:

Basic earnings per share are computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

p) Impairment of assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

q) Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the 'Notes to the financial statements'.

r) Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1. (B) The Company over the last few years has been incurring cash losses due to which its net worth has been eroded and its current liabilities are in excess of its current assets. The Indian sugar industry, particularly in the State of Uttar Pradesh, has faced difficulties on account of increasing sugar cane prices and corresponding lower than expected recovery of sugar from cane, lower sugar prices and consequential under recovery of cost of production.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

These factors have adversely affected the Company's operations and financial performance. Higher finance costs have also added to the cash losses.

The Company got registered with the Board for Industrial and Financial Reconstruction (BIFR) on 10th September 2013 under the provisions of Section 15 (1) of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA). The process for revival / rehabilitation of the Company is under way in line with the prescribed procedure and rules under SICA.

The State and Central Government have initiated various steps to support the sugar industry like decontrol of free sale of sugar release mechanism, doing away with levy quota system, subsidy of Rs 28.60 per qtl on sugar cane purchase during the sugar season 2014-15 and also considering linking the cane price with sugar price. All the aforesaid measures are expected to support the industry and also the operations of the Company in the near future. The Company has also initiated various steps including cane development activities, enhancing plant efficiencies, costs reduction etc. to improve the performance of the Company.

As such, the Company is confident that BIFR will approve a rehabilitation scheme which would entail part sale of its surplus/non-core assets to discharge some of its financial obligations and improve cash flow, rescheduling of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth.

During the current period, the industry has witnessed a steady increase in sugar prices and improved cane recoveries. This has resulted in the Company generating profits including cash profits during the period. The industry outlook is also positive in the short and long term with sugar prices expected to hold.

Pursuant to the assignment of all rights, titles and interests in the financial assistance granted by two term lenders to the Company with an asset reconstruction company, a major portion of the outstanding debts has been restructured for repayment, and the Company is in the process of negotiation with the remaining lenders. Further, the business restructuring plan as mentioned in the rehabilitation scheme is being pursued by the Company.

In view of the above, the Board of Directors of the Company is confident that the Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business. Accordingly, these financial statements have been prepared on a going concern basis.

2. Share Capital

	As at 31.03.2016		As at 31.12.2014	
	Number of shares	Rs. Million	Number of shares	Rs. Million
Authorised				
- Equity shares of Rs. 10 each	175,000,000	1,750.00	175,000,000	1,750.00
	175,000,000	1,750.00	175,000,000	1,750.00
Issued, subscribed and fully paid up				
- Equity shares of Rs. 10 each fully paid up	39,116,864	391.17	39,116,864	391.17
	39,116,864	391.17	39,116,864	391.17

- (i) There are no changes in issue, subscribed and fully paid up capital during the period and in the previous period.
- (ii) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Each holder of equity shares have a right to receive per share dividend declared by the Company. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(iii) Details of shareholders holding more than 5% equity shares in the Company:

Name of shareholders	No. of Shares held	% age of holding	As at	As at
			31.03.2016	31.12.2014
			No. of Shares held	% age of holding
Siddharth Shriram (including shares held as trustee of Enterprise Trust)	27,334,248	69.88	27,334,248	69.88

3. Reserves and surplus

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Capital reserves ¹	1,030.17	1,030.17
Capital redemption reserve	87.72	87.72
Securities premium account	1,495.04	1,495.04
Surplus/(deficit) in the Statement of Profit and Loss	(6,816.94)	(6,839.08)
	(4,204.01)	(4,226.15)

¹ Includes Rs. 991.46 million (previous period Rs. 991.46 million) representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Movement in reserves and surplus is as under:

(Deficit) in Statement of Profit and Loss

Opening balance	(6,839.08)	(5,032.98)
Add: Profit/(Loss) for the period	22.14	(1,806.10)
Closing balance	(6,816.94)	(6,839.08)

4. Long term borrowings ^{1#}

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Term loans		
- From banks	1,377.50	1,532.63
- From others	2,909.12	1,445.56
Funded interest term loans		
- From banks	39.03	49.13
- From others	8.62	38.40
	4,334.27	3,065.72
Less : Current maturities of long term borrowings as disclosed under head "other current liabilities" (Note 9)²	1,878.56	2,156.30
	2,455.71	909.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

¹The period and amount of continuing default in repayment of borrowings as at the period end:

	As at 31.03.2016		As at 31.12.2014	
	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Borrowings:				
Term loans				
- From banks	1,155.07	1-974	1,081.62	1-518
- From others	244.51	1-974	557.11	1-518
Funded interest term loans				
- From banks	39.03	1-974	49.13	1-518
- From others	8.62	1-974	38.40	1-518
Interest accrued and due on borrowings:				
Term loans				
- From banks	572.74	1-974	245.71	1-518
- From others	122.52	1-974	120.86	1-518

² Details of current maturities of long term borrowings are as under:

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Term loans		
- From banks	1,318.28	1,264.62
- From others	512.63	804.15
Funded interest term loans		
- From banks	39.03	49.13
- From others	8.62	38.40
	1,878.56	2,156.30

Pursuant to an assignment of all rights, titles and interest in the financial assistance i.e Long term borrowings, Short term borrowing, cash credit and Funded Interest Term Loan granted by the term lenders to the Company with an Asset Reconstruction Company, Rs 2210.00 million has been restructured for repayments till 2023.

Accordingly such Long term borrowings, Short term borrowings, cash credits and Funded Interest Term Loans which hitherto were classified under Long term borrowings, Short term borrowing and other current liabilities have now been reflected under Long term borrowings and Other current liabilities in Note 4 and Note 9 respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Secured

Term loans and funded interest term loans

1. From Banks

	As at March 31, 2016 Rs. Million	As at December 31, 2014 Rs. Million	Rate of interest	Security clause
i.	1,377.50	1532.63	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company.
ii.	39.03	49.13	0% (Funded Interest Term Loan)	(ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.

2. From others

i.	291.62	795.79	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company.
	2165.00	-	0%	
ii.	8.62	38.40	0% (Funded Interest Term Loan)	(ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.
iii.	-	30.70	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
iv.	42.74	42.74	4%	
v.	253.04	253.04	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by an exclusive second charge on all movable and immovable properties of the Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
vi.	63.02	157.55	6.50%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by first pari-passu charge on all movable and immovable properties of the Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan is further secured by personal guarantee of erstwhile Chairman and Managing Director of the Company.
vii.	11.30	33.89	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Nanglamal Sugar Complex, situated at Nanglamal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
viii.	82.40	131.85	4%	

Repayment Schedule of Long Term Borrowings

	Rs. Million
12 months ending March 31, 2017	1,878.56
12 months ending March 31, 2018	268.44
12 months ending March 31, 2019	241.24
12 months ending March 31, 2020	280.35
April 1, 2020 onwards	1,665.68
	4,334.27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

5. Other long term liabilities

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Interest accrued but not due on borrowings ¹	669.56	149.23
Others	10.39	9.01
	679.95	158.24

¹Represent interest accrued on borrowing assigned to an Asset Reconstruction Company. Refer note 4(#)

6. Long - term provisions

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	79.51	85.77
- Provision for compensated absences ¹	21.80	25.26
	101.31	111.03

¹Refer note 32

7. Short - term borrowings

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Loans repayable on demand - Cash credit/overdrafts from banks	468.44	1,961.32
	468.44	1,961.32

- A**
- i Cash credit / overdraft amounting to Rs. 422.10 million (previous period Rs. 1909.97 million) are secured by first pari-passu charge on the current assets of the Company and third pari-passu charge on the fixed assets of sugar units of the Company. This limit is also secured by second pari-passu charge on the fixed assets of chemical division of the Company. Further, these loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajaura in the state of punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.
 - ii Cash credit amounting to Rs. 46.34 million (previous period Rs. 51.35 million) are secured by first pari-passu charge on the current assets of the Company and fixed assets of chemical division of the Company situated at Rajaura in the state of punjab.

B The period and amount of continuing default in repayment of borrowings as at the period end:

	As at 31.03.2016		As at 31.12.2014	
	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Interest accrued and due on borrowings:				
Cash Credit/Overdraft				
- From banks	162.76	1-974	342.78	1-518

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

8. Trade payables

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Trade payables (including acceptances)		
- Dues to other than micro and small enterprises	7,146.77	6,543.38
	7,146.77	6,543.38

9. Other current liabilities

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Current maturities of long term borrowings ¹	1,878.56	2,156.30
Interest accrued but not due on borrowings	71.35	61.47
Interest accrued and due on borrowings	858.02	709.35
Other payables		
- Taxes and other statutory dues	386.74	338.37
- Advances from customers	49.04	38.71
- Security deposits	48.88	48.99
- Capital creditors	23.15	23.09
- Miscellaneous	152.13	85.03
	3,467.87	3,461.31

¹Refer Note 4

10. Short - term provisions

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	20.41	21.45
- Provision for compensated absences ¹	2.59	2.94
Others		
- Provision for taxation	21.14	21.14
	44.14	45.53

¹ Refer note 32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

11. FIXED ASSETS¹

	Gross Block (At Cost)			Depreciation			Net Block	
	As at 31.12.2014	Additions	Deductions	As at 31.03.2016	For the period including transitional adjustment ²	On deductions	As at 31.03.2016	As at 31.12.2014
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
TANGIBLE ASSETS - OWNED								
Land	269.02 (267.63)	4.46 (1.39)	-	273.48 (269.02)	-	-	273.48 (269.02)	269.02 (267.63)
Buildings	870.35 (846.13)	20.39 (24.22)	-	890.74 (870.35)	70.26 (29.74)	-	537.43 (587.30)	587.30 (592.82)
Plant and equipment	9,409.62 (9,401.61)	31.01 (16.45)	5.02 (8.44)	9,435.61 (9,409.62)	282.93 (569.56)	3.91 (8.10)	5,852.87 (3,835.77)	3,835.77 (4,389.22)
Office equipment	99.74 (91.70)	3.14 (9.52)	8.99 (1.48)	93.89 (99.74)	17.42 (6.97)	7.38 (1.21)	11.38 (27.27)	27.27 (24.99)
Furniture and fixtures	40.80 (40.72)	0.18 (0.48)	9.44 (0.40)	31.54 (40.80)	6.62 (2.40)	4.80 (0.33)	1.88 (12.96)	12.96 (14.95)
Vehicles	12.60 (12.14)	-	(0.79)	12.60 (12.60)	2.09 (0.97)	-	1.45 (3.54)	3.54 (3.26)
Current period	10,702.13	59.18	23.45	10,737.86	379.32	16.09	6,329.50	
Previous period	(10,659.93)	(53.31)	(11.11)	(10,702.13)	(609.64)	(10.43)	(5,966.27)	4,735.86
Capital work-in-progress							28.05	12.05

¹ Rs. 1.07 million (previous period Rs. 1.07 million) received as advance against sale of land at Mawana will be adjusted after execution of conveyance deed.

² Refer Note 41.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

12. NON - CURRENT INVESTMENTS

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
VALUED AT COST UNLESS THERE IS DECLINE IN VALUE, OTHER THAN TEMPORARY		
TRADE INVESTMENTS		
Investment in Equity Instruments		
- Unquoted		
Capaxil Agencies Limited 5 (previous period 5) Equity shares of Rs.1,000 each fully paid-up	1 0.01	0.01
Agro Pumpsets & Implements Limited 10 (previous period 10) Equity shares of Rs. 500 each fully paid-up	0.01	0.01
Mawana Co-operative Development Union Limited 2 (previous period 2) Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	1 #	#
Ramraj Co-operative Cane Development Union Limited 2 (previous period 2) Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	1 #	#
OTHER INVESTMENTS		
Investment in Equity Instruments		
Subsidiaries		
- Quoted		
Siel Financial Services Limited 10,613,382 (previous period 10,613,382) Equity shares of Rs.10 each fully paid-up Less: Provision for diminution in value	203.13 <u>(203.13)</u>	203.13 <u>(203.13)</u>
- Unquoted		
Siel Industrial Estate Limited 14,025,000 (previous period 14,025,000) Equity shares of Rs.10 each fully paid-up	140.25	140.25
Siel Infrastructure & Estate Developers Private Limited 13,761,617 (previous period 13,761,617) Equity shares of Rs.100 each fully paid-up	152.49	152.49
Investment in Preference Shares		
Subsidiary		
- Unquoted		
Siel Industrial Estate Limited 40,00,000 (previous period NIL) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up ²	40.00	-
Siel Financial Services Limited 730,000 (previous period 730,000) 5 % Preference shares of Rs.100 each fully paid-up Less : Provision for diminution in value	73.00 <u>(73.00)</u>	73.00 <u>(73.00)</u>
	332.76	292.76
Aggregate value of investments		
Quoted (Market value Rs. Nil (previous period Rs. Nil))	-	-
Unquoted	332.76	292.76
	332.76	292.76

¹ Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Company.

² Refer Note 40.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

13. Long - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Capital advances	34.03	0.50
Security deposits		
- Good ¹	85.50	72.14
- Doubtful	0.53	0.53
Loan and advances to related parties ²		
- Doubtful	36.59	36.59
Other loans and advances		
- Advance tax	59.30	48.73
- Excise, Service Tax, VAT and other balances with government authorities	7.68	7.43
- Dues from employees	0.04	-
- Prepaid expenses	0.62	2.14
- Advances recoverable in cash or in kind or for the value to be received		
- Good	48.93	48.95
- Doubtful	117.78	117.78
	391.00	334.79
Less : Provision for doubtful advances	154.90	154.90
	236.10	179.89

¹ Includes deposit with related party Rs. NIL (previous period Rs. 4.25 million)

² Refer note 35

14. Other non - current assets

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Fixed deposits with banks (Earmarked)	12.94	9.67
	12.94	9.67

15. Inventories¹

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Raw and packing materials	85.85	82.98
Work-in-progress ³	67.67	184.36
Finished goods ²	3,813.67	2,421.87
Stores and Spares	200.93	216.30
	4,168.12	2,905.51

¹ Refer note 1(A)(f)

² For product wise details refer note 48

³ Details of Work - in - progress are as under:

Sugar	34.57	149.04
Molasses	2.64	15.46
Chemical	8.75	11.44
Others	21.71	8.42
	67.67	184.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

16. Trade receivables¹

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Receivables outstanding for a period exceeding six months from the due date		
Secured - good	0.23	0.20
Unsecured - considered good	8.62	13.30
- doubtful	53.75	54.42
	62.60	67.92
Less : Provision for doubtful debts	53.75	54.42
(A)	8.85	13.50
Other Receivables		
Secured - good	5.71	15.93
Unsecured - considered good	710.37	484.10
(B)	716.08	500.03
Total (A+B)	724.93	513.53

¹Refer note 35

17. Cash and cash equivalents

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Cash and cash equivalents		
Cash on hand	1.71	1.50
Balances with banks		
- On current accounts	230.59	199.04
Other bank balances		
Earmarked balances		
- Current account	-	26.33
Balance held as margin money or security against borrowings, guarantees and other commitments	198.58	187.13
	430.88	414.00
Of the above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard 3 - Cash Flow Statements	232.30	200.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

18. Short - term loans and advances (Unsecured and considered good)

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Security deposits	3.64	4.52
Loans and advances to related parties ¹	-	0.04
Other loans and advances		
- Excise, Service Tax, VAT and other balances with government authorities	138.23	210.36
- Dues from employees ²	8.35	9.43
- Prepaid expenses	20.43	17.72
- Advances to vendors	14.26	16.07
- Advances recoverable in cash or in kind or for the value to be received		
- Good	33.18	24.70
- Doubtful ³	6.61	-
	224.70	282.84
Less : Provision for doubtful advances	6.61	-
	218.09	282.84

¹ Refer note 35

² Includes Rs. 7.04 million (previous period Rs. 7.04 million) recoverable from former chairman and managing director of the Company (refer note 39(i))

³ Refer note 39(ii)

19. Other current assets

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Interest accrued on deposits	8.10	20.69
	8.10	20.69

20. Revenue from Operations

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Sale of products - finished goods ¹	15,762.20	14,761.65
Sub - Total (A)	15,762.20	14,761.65
Other Operating Revenues		
- Sale of scrap	14.27	27.23
- Other operating income	2.43	2.03
Sub - Total (B)	16.70	29.26
Total (A+B)	15,778.90	14,790.91

¹For product wise particulars of sales refer note 48

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

21. Other Income

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Interest income ¹	33.54	30.68
Profit on sale of fixed assets	0.04	0.02
Provision / Liabilities no longer required written back ²	15.52	3.70
Rent received	0.68	0.52
Miscellaneous income ³	45.72	52.38
Total	95.50	87.30
¹ Interest income comprises of:		
- Interest from banks	22.90	18.44
- Interest on income tax refunds	-	0.21
- interest from others	10.64	12.03
	33.54	30.68

² Includes Rs. 0.42 million (previous period Rs 0.30 million) provision for doubtful trade receivables/advances no longer required written back.

³ Includes Rs. 32.48 million (previous period Rs. 42.02 million) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India (refer note 42)

22. Cost of materials consumed¹

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Opening stock	82.98	77.31
Add: Purchases	11,052.82	11,148.48
	11,135.80	11,225.79
Less: Closing stock	85.85	82.98
Cost of materials consumed	11,049.95	11,142.81
Particulars of materials consumed are as under:		
Sugar cane	10,298.87	10,351.75
Salt	350.60	364.55
Quick lime	75.24	81.11
Packing Materials	226.93	240.08
Others	98.31	105.32
Total	11,049.95	11,142.81

¹ Refer Note 43

23. Changes in inventories of finished goods and work in progress

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
<u>Inventories at the end of the period</u>		
Finished goods	3,813.67	2,421.87
Work-in-progress	67.67	184.36
Total (A)	3,881.34	2,606.23
<u>Inventories at the beginning of the period</u>		
Finished goods	2,421.87	2,041.59
Work-in-progress	184.36	42.74
Total (B)	2,606.23	2,084.33
Net (increase)/decrease (B-A)	(1,275.11)	(521.90)

Mawana Sugars Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

24. Employee benefits expense

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Salaries, wages etc	771.62	783.28
Contribution to provident and other funds	83.37	97.93
Staff welfare expenses	43.61	57.58
Total	898.60	938.79

25. Finance Costs

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Interest		
- On borrowings	752.66	751.29
- On others	6.72	6.28
Other borrowing costs	8.40	11.31
Total	767.78	768.88

26. Other expenses

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Consumption of stores and spare parts	608.39	632.41
Power, fuel, water etc.	1,630.77	1,655.69
Repairs		
- Building	30.49	11.46
- Plant and machinery	95.83	106.12
- Other repairs	12.17	21.90
Rent paid	52.66	63.08
Auditors remuneration		
As auditors		
- Audit fee	2.40	2.40
- Out -of-pocket expenses	0.14	0.07
In other capacity		
- For limited review of unaudited financial results	3.40	3.40
- For verification of statement and other reports	1.91	2.52
Insurance	9.06	12.45
Rates and taxes	12.35	12.32
Jobs on contract	158.28	139.68
Freight and transport	67.30	54.22
Cash discount	5.33	15.96
Increase/(decrease) in excise duty on finished goods	125.66	35.28
Net loss on foreign currency transactions	0.39	0.29
Legal and professional expenses	79.25	68.90
Bad debts written off	6.25	14.01
Less: Charged against provisions	<u>0.24</u>	<u>11.75</u>
Provision for doubtful debts and advances	6.61	-
Loss on sale/write off of fixed assets	0.96	0.33
Miscellaneous expenses	189.83	120.99
Total	3,099.19	2,961.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

27. Commitments

	As at March 31, 2016 Rs. Million	As at December 31, 2014 Rs. Million
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets (Net of advances)	95.92	11.97
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#

28. Contingent liabilities:

a) Claims against the Company not acknowledged as debt in respect of*:		
- Income tax	336.70	336.70
- Sales tax	84.79	81.08
- Excise Duty/Service tax	291.40	276.77
- Others	1,561.38	482.09

*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Company.

b) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited	70.00	70.00
Dues outstanding	22.40	33.98
c) The Company has provided bank guarantees aggregating Rs. 72.01 million (previous period Rs. 72.01 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 43.68 million (previous period Rs. 43.68 million) have been received. These demands are presently under various stages of appeal.		
d) During a previous period, the Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary has been struck off under the Easy Exit Scheme, 2011.		

29. Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 4.21 million (previous period Rs. 4.09 million).

30. Accounting for taxes on income:-

In accordance with the Accounting Standard (AS) 22 'Accounting for Taxes on Income' specifies under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. Accordingly, deferred tax assets have been recognized only to the extent of deferred tax liability, the details of which are as under:

(Rs. Million)

	As at March 31, 2016	As at December 31, 2014
	(DTL)/DTA	(DTL) / DTA
Accelerated depreciation	(972.62)	(1,128.12)
Expenses deductible on payment	744.23	438.77
Unabsorbed depreciation only to the extent of Deferred tax liability	228.39	689.35
Net Amount	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

31. Sales are net of commission of Rs. 37.21 million (previous period Rs. 29.30 million).

32. Employee Benefits:

Disclosures required under Accounting Standard (AS) - 15 "Employees Benefits" specifies under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013.

i) Defined Contribution Plan and amount recognized in the Statement of Profit and Loss.

	15 Months ended March 31, 2016 Rs. Million	15 Months ended December 31, 2014 Rs. Million
- Employers contribution to provident fund	60.16	56.17
- Employees State Insurance Corporation	0.09	0.08

ii) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Accounting Standard 15, actuarial valuation was done and details of the same are given below:

(Rs. Million)

	Gratuity (Funded) @		Compensated absences	
	Current Period	Previous Period	Current Period	Previous Period
A. Change in the Present value of obligation				
Present value of obligation as at the beginning of the period	172.66	175.79	28.20	31.66
Current service cost	13.44	13.77	3.23	4.01
Interest cost	17.27	17.58	2.82	3.17
Benefits paid	(32.13)	(27.86)	(15.16)	(14.20)
Actuarial loss/ (gain)	5.25	(6.62)	5.30	3.56
Present value of obligation as at the end of the period	176.49	172.66	24.39	28.20
B. Change in the fair value of plan assets				
Fair value of plan assets as at the beginning of the period	65.44	59.81	-	-
Expected return on plan assets	6.83	6.61	-	-
Last year difference	3.56	-	-	-
Contribution by the Company	3.88	1.35	-	-
Benefits paid	(3.62)	(0.90)	-	-
Actuarial gain/(loss)	0.48	(1.43)	-	-
Fair value of plan assets as at the end of the period #	76.57	65.44	-	-
C. Amount recognised in the balance sheet (A - B)	99.92	107.22	24.39	28.20
Short - term provision	20.41	21.45	2.59	2.94
Long - term provision	79.51	85.77	21.80	25.26
D. Expenses recognized in the Statement of Profit and Loss				
Current service cost	13.44	13.77	3.23	4.01
Interest cost	17.27	17.58	2.82	3.17
Expected Return on plan Assets	(6.83)	(6.61)	-	-
Actuarial loss/ (gain)	4.77	(5.19)	5.30	3.56
Net Cost	28.65	19.55	11.35	10.74
E. Best estimate contribution during the next period	23.18	23.86		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

(Rs. Million)

		Gratuity (Funded) @		Compensated absences	
		Current Period	Previous Period	Current Period	Previous Period
F.	Actuarial Assumptions				
	Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%
	Future Salary increase	5.00%	5.00%	5.00%	5.00%
	Expected Rate of return on plan assets	8.35%	8.85%	-	-
	Mortality table	IALM (2006-08)			

@ Rs. 99.92 million (Previous period Rs. 107.22 million) has not been funded

The plan assets are maintained with Life Insurance Corporation of India (LIC) Gratuity Scheme. The details of investments maintained by LIC are not made available to the Company and therefore has not been disclosed.

G. Net Assets/(Liabilities) in respect of gratuity recognized in the Balance Sheet

As on	31.03.2016	31.12.2014	30.09.2013	30.09.2012	31.03.2011
Present Value of obligation	176.49	172.66	175.79	163.25	142.89
Fair value of plan assets	76.57	65.44	59.81	55.24	48.19
Net Assets/(liability)	(99.92)	(107.22)	(115.98)	(108.01)	(94.70)

Expenses on actuarial (gain)/loss for Benefit obligation and plan assets in respect of gratuity

Period ended	31.03.2016	31.12.2014	30.09.2013	30.09.2012	31.03.2011
On Present Value of obligation	5.26	(6.62)	11.56	4.33	-
On plan assets	(0.48)	1.84	3.57	(0.23)	-

33. Segment reporting

A. Business Segment

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" specifies under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013., - the Company's business Segment includes Sugar, Power, Chemical and Distillery.

B. Geographical Segment

Since the Company's activities/operations are primarily within the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1(A) above, the accounting policies in relation to segment accounting are as under:

- a) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to the segments.
- b) Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.
- c) Inter segment revenues:
Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

D. Information about business segments

	(Rs. Million)													
	Sugar		Power		Chemicals		Distillery		Unallocated		Elimination		Total	
	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period
SEGMENT REVENUE														
External Sales (Net of excise duty)	10,448.78	9,947.18	632.41	508.69	2,570.65	2,668.22	1,176.83	853.21	-	-	-	-	14,829.67	13,977.30
Inter segment revenue	3,013.40	2,525.35	3,308.76	2,770.41	2.51	7.83	14.29	23.60	-	-	(6,338.96)	(5,327.19)	-	-
Other Operating Revenues	11.40	21.56	-	-	5.30	7.70	-	-	-	-	-	-	16.70	29.26
Other income	-	-	-	-	-	-	-	-	95.50	87.30	-	-	95.50	87.30
Total revenue	13,474.58	12,494.09	3,941.17	3,279.10	2,578.46	2,683.75	1,191.12	876.81	95.50	87.30	(6,338.96)	(5,327.19)	14,941.87	14,093.86
EBIT/RESULTS														
Segment results	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	-	-	-	-	949.12	(875.51)
Unallocated income/(expenses) (net of income/expenses)	-	-	-	-	-	-	-	-	(192.74)	(192.38)	-	-	(192.74)	(192.38)
Operating Profit/(loss)	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	(192.74)	(192.38)	-	-	756.38	(1,067.89)
Finance Costs	-	-	-	-	-	-	-	-	767.78	768.88	-	-	767.78	768.88
Interest income	-	-	-	-	-	-	-	-	33.54	30.68	-	-	33.54	30.68
Net Profit/(Loss) before tax, exceptional items and prior period adjustments	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	(926.98)	(930.58)	-	-	22.14	(1,806.09)
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) before tax and prior period adjustments	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	(926.98)	(930.58)	-	-	22.14	(1,806.09)
Less: Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) before tax	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	(926.98)	(930.58)	-	-	22.14	(1,806.09)
Tax expenses	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
Net Profit/(Loss) after tax	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	(112.49)	388.29	182.98	(926.98)	(930.59)	-	-	22.14	(1,806.10)
OTHER INFORMATION														
As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016
A. ASSETS														
Segment assets	6,269.73	5,207.79	1,987.06	1,818.51	799.97	937.13	871.37	860.66	-	-	-	-	9,928.13	8,824.09
Unallocated assets	-	-	-	-	-	-	-	-	640.20	542.71	-	-	640.20	542.71
Total Assets	6,269.73	5,207.79	1,987.06	1,818.51	799.97	937.13	871.37	860.66	640.20	542.71	-	-	10,568.33	9,366.80
B. LIABILITIES														
Segment liabilities	7,304.29	6,892.37	11.54	10.68	310.04	224.33	37.68	78.37	-	-	-	-	7,663.55	7,205.75
Share capital/reserves and surplus	-	-	-	-	-	-	-	-	(3,812.84)	(3,834.98)	-	-	(3,812.84)	(3,834.98)
Borrowings	-	-	-	-	-	-	-	-	4,802.72	5,027.04	-	-	4,802.72	5,027.04
Unallocated liabilities	-	-	-	-	-	-	-	-	1,914.90	968.99	-	-	1,914.90	968.99
Total Liabilities	7,304.29	6,892.37	11.54	10.68	310.04	224.33	37.68	78.37	2,904.78	2,161.05	-	-	10,568.33	9,366.80
C. OTHERS														
Capital expenditure	21.22	13.38	0.02	1.66	9.70	8.07	43.89	27.94	0.35	2.85	-	-	75.18	53.90
Depreciation	184.23	241.73	66.92	185.85	73.75	144.25	41.65	34.19	12.77	3.62	-	-	379.32	609.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

34. Earnings per share:

		15 months ended March 31, 2016	15 months ended December 31, 2014
Profit/(Loss) after tax	Rs. Million	22.14	(1,806.10)
Weighted average number of equity shares outstanding	No.	39,116,864	39,116,864
Basic and diluted earnings/(loss) per share in rupees (face value – Rs. 10 per share)	Rs.	0.57	(46.17)

35. Related party disclosures under Accounting Standard 18

Name of related party and nature of related party relationship

Promoter:

Mr. Siddharth Shriram (Chairman and Managing Director upto July 31,2014)

Subsidiaries:

Siel Financial Services Limited,
Siel Industrial Estate Limited,
Siel Infrastructure & Estate Developers Private Limited

Key Management Personnel:

Mr. Dharam Pal Sharma - Whole Time Director (w.e.f. August 13, 2015)

Dr. Anil Arora - Chief Financial Officer (w.e.f. November 05, 2015)

Mr. Ashok Kumar Shukla - Company Secretary (w.e.f. July 04, 2015)

Mr. Ritesh Jain - Company Secretary (resigned w.e.f. March 10, 2015)

Enterprises over which key management personnel have significant influence:

Usha International Limited

Mawana Foods Private Limited (Formerly known as Mawana Foods Limited) (subsidiary company of Usha International Limited)

Details of Related Party Transactions:

	Period ended March 31, 2016 Rs. Million	Period ended December 31, 2014 Rs. Million
A) Promoter		
Siddharth Shriram		
Advisory Fees	11.50	1.81
Managerial Remuneration	-	1.05
Excess remuneration paid in earlier period pending recovery		
Siddharth Shriram	7.04	3.98
Balance outstanding included under		
Loans and advances (also refer note 39(i))	7.91	7.04
B) Subsidiaries		
Siel Financial Services Limited		
Expenses recovered	0.06	0.24
Balances outstanding included under :		
Loans and advances #	36.59	36.59
Siel Industrial Estate Limited		
Expenses recovered	0.40	-
Investment in 40,00,000 (previous period Nil)		
5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up	40.00	-
Balances outstanding included under :		
Loans and advances	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

	Period ended March 31, 2016 Rs. Million	Period ended December 31, 2014 Rs. Million
Siel Infrastructure & Estate Developers Private Limited		
Expenses recovered	-	-
Balance outstanding included under:		
Loans and advances	-	0.04
C) Key Management personnel and their relatives		
Remuneration to key management personnel:		
Mr. A.K. Mehra (resigned w.e.f. July 31,2014)	-	8.87
Mr. Rajendra Khanna (resigned w.e.f. December 31,2014)	-	8.25
Dr. Anil Arora	2.04	-
Mr. Dharam Pal Sharma	1.12	-
Mr. Ashok Kumar Shukla	0.37	-
Mr. Ritesh Jain	0.21	-
D) Enterprises over which key management personnel have significant influence		
Usha International Limited		
Expenses recovered	0.07	7.76
Expenses reimbursed	6.90	3.12
Reimbursement of ERP expenses	6.05	5.84
Miscellaneous purchases	0.55	0.96
Rent paid	6.62	23.84
Royalty paid	11.69	10.78
Sale of Fixed Assets	6.26	-
Balances outstanding included under :		
Loans and advances	-	4.25
Trade payables/ Loans and advances taken	6.95	12.78
Mawana Foods Private Limited (Formerly known as Mawana Foods Limited)		
Sale of Goods	427.33	409.94
Interest received	5.07	3.40
Expenses reimbursed	0.06	0.67
Expenses recovered	13.41	1.90
Miscellaneous purchases	-	-
Balances outstanding included under :		
Guarantee given by the Company	70.00	70.00
Loans and advances	0.01	-
Trade receivables	87.54	35.66

includes Rs. 36.59 Million (previous period Rs. 36.59 Million) provided for as doubtful advances.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

36. The following are particulars of disputed dues on accounts of sales tax, income-tax, service tax and excise duty matters as at March 31, 2016 that have not been deposited by the Company:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
1	Sales Tax Laws	Sales Tax	6.36	-	2009-10 to 2013-14	High Court
			84.22	10.64	1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2011-12 and 2012-13	Appellate Authority upto Commissioner's level
			2.53	-	1978-79 & 1979-80	Tribunal
2.	Income Tax Laws	Income Tax	30.28	30.28	1998-99	High Court
3.	Central Excise Laws	Excise Duty	10.35	-	2007-08 to 2014-15	High Court
			133.33	0.40	1998-99, 2001-02 and 2005-06 to 2011-12	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			1.04	-	1999-00 to 2002-03	Supreme Court
			129.04	0.55	1981-82 to 1984-85, 1994-95 to 1997-98, 1999-00, 2001-02, 2004-05 and 2006-07 to 2015-16	Appellate Authority upto Commissioner's level
		0.19	-	2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	
	Service Tax	17.24	0.02	2005-06 to 2015-16	Appellate Authority upto Commissioner's level	

Period in respect of income tax represents assessment year.

The following matters which have been excluded from the above table have been decided in favour of the Company but the department has preferred appeal at higher level:

S No.	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1.	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2.	Income tax Laws	Income tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

37. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

	As at March 31, 2016		As at December 31, 2014	
	Amount in foreign currency (Million)	Amount in (Rs. Million)	Amount in foreign currency (Million)	Amount in (Rs. Million)
Trade payables	USD 0.09	5.80	USD 0.06	4.01
	GBP 0.08	7.33	GBP 0.50	4.89

38. Operating lease:

The Company has taken properties on cancellable and non-cancellable operating lease and has recognized rent of Rs. 52.66 Million (Previous period Rs 63.08 Million) during the period to the Statement of Profit and Loss.

The details of future minimum lease payments under non-cancellable leases are given below:

(Rs. Million)

	Current period	Previous period
Not later than one year	23.78	8.50
Later than one year and not later than five years	21.95	8.50

39. i) The Central Government had approved the erstwhile Chairman and Managing Director's remuneration (w.e.f. October 15, 2012) vide letter dated April 21, 2014 at an amount lower than that approved by the shareholders in their general meeting. Consequent thereto, the Company had made a representation to the Central Government on November 5, 2014 for waiver of excess remuneration paid to Chairman and Managing Director (ceased to be Managing Director w.e.f. July 31, 2014). Pending outcome thereof, refund of excess remuneration amounting to Rs. 7.04 million paid in terms of shareholders' approval has not been obtained by the Company.
- ii) The Central Government had approved the former Whole time Director (WTD) Mr. Rajendra Khanna's remuneration (w.e.f. February 01, 2014) vide letter dated June 30, 2015 at an amount lower than that approved by the Shareholders. Consequent thereto, the Company had made a representation to the Central Government on July 21, 2015 for waiver of excess remuneration paid to Mr. Rajendra Khanna, Whole Time Director (ceased to WTD w.e.f. December 31, 2014). Pending outcome thereof, refund of excess remuneration amounting to Rs. 6.61 million paid in terms of shareholders' approval has not been obtained by the Company.
- iii) Remuneration amounting to Rs 1.08 million paid to Whole Time Director (WTD) up to March 31, 2016 is subject to the approval of shareholders and Central Government under the provision of the Companies Act, 2013.
40. Pursuant to an Order of Hon'ble High Court of Punjab & Haryana, the Company's 100% Subsidiary viz. Siel Industrial Estate Limited (Siel IE) was ordered to pay additional compensation to the farmers from whom the Land had been acquired. Having regard to the fact that Siel IE has no business activity/ income of its own, the Company paid Rs. 40.00 million to Siel IE by way of subscription to the Right Issue of 40,00,000 5% Redeemable Cumulative Preference Shares of Rs 10 each fully paid during the period.
41. Pursuant to Companies Act, 2013 ('the Act') being effective from January 1, 2015, the Company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of schedule II of the Act. As a result of this change, the depreciation charge for the period ended March 31, 2016 is lower by Rs. 243.53 Million. In respect of the assets whose useful life had already exhausted as at December 31, 2014 depreciation of Rs. 49.13 Million has been adjusted in the statement of profit and loss in accordance with the requirement of the Schedule II of the Act.
42. Pursuant to judgment dated 10.05.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Company is no longer in physical possession of 46.58 acres owned by it.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

The Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Company to Delhi Metro Rail Corporation ('DMRC'). The Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Company has surrendered and dedicated the land.

Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.03.2010 but on the Company's application against the leasing of land by DDA to DMRC stated and directed as follows : "...the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community... In the event of any acquisition or development of surrendered land, the owner – dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/ open space...' when such acquisition/alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each."

In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Company.

43. The Government of Uttar Pradesh had announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015. As such, the Company has recognized the full subsidy of Rs. 28.60 per qtl. aggregating to Rs. 766.2 million which has been netted off from the cost of material consumed for the fifteen months ended March 31, 2016.
44. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
45. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
46. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

On the basis of supplier information available with the Company who have registered under the Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the following are the details:

(Rs. Million)

	As at March 31, 2016	As at December 31, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the period	5.00	3.31
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the period	11.98	8.24
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period	3.74	3.15
(v) The amount of interest accrued and remaining unpaid at the end of the period	11.98	8.24
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

47. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

48. Particulars of stocks and sales

Description	Stocks				Sales	
	Opening		Closing		15 Months ended 31.03.2016 Rs Million	15 Months ended 31.12.2014 Rs. Million
	As at 01.01.2015 Rs. Million	As at 01.10.2013 Rs. Million	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million		
Sugar	1,998.11	1816.23	3,471.68	1,998.11	10,480.75	9,627.02
Caustic Soda	16.58	4.61	7.10	16.58	2,308.86	2,301.61
Caustic Flakes	11.95	-	-	11.95	75.03	122.95
Chlorine (dry and liquid)	0.35	0.57	0.57	0.35	132.72	167.54
Hydrochloric acid	0.14	0.16	0.31	0.14	67.40	77.23
Hydrogen	-	-	-	-	64.00	76.68
Stable bleaching powder	0.95	3.29	0.76	0.95	187.15	211.54
Sodium hypochlorite	0.25	0.12	0.06	0.25	66.88	66.51
Industrial Alcohol	180.96	99.00	86.97	180.96	1,240.63	924.20
Others	212.58	117.61	246.22	212.58	1,138.78	1,186.37
Total	2,421.87	2041.59	3,813.67	2,421.87	15,762.20	14,761.65

49. Other Additional Information

Description	15 Months ended 31.03.2016		15 Months ended 31.12.2014	
	Rs. Million	%	Rs. Million	%
(a) Value of imports on CIF basis				
Stores, spares and components	105.85		95.86	
Capital goods	4.02		-	
(b) Expenditure in foreign currency				
Travel etc.	3.74		0.45	
Technical/Consultancy fees	7.74		-	
Others	-		3.26	
(d) Value of imported/indigenous raw materials, spare parts, components and stores consumed				
Imported	111.65	0.96	96.57	0.82
Indigenous	11,546.69	99.04	11,678.65	99.18
	11,658.34	100.00	11,775.22	100.00

In terms of our report attached
For A.F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

MANJULA BANERJI
Partner
(Membership No. 086423)

ASHOK KUMAR SHUKLA
Company Secretary

DR. ANIL ARORA
Chief Financial Officer

Date : 10th May, 2016
Place : New Delhi

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

PARMJIT KAUR
Director
(DIN: 06714249)

PIAR CHAND JASWAL
Director
(DIN: 07100098)

DINESH MOHAN
Director
(DIN: 00077959)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

Form AOC-I
Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries:

S. No.	Name of Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit/(Loss) before taxation	Provision for taxation w/back	Profit/(Loss) after taxation	Amount Rs. In million	
											Proposed dividend	% of shareholding
1	Siel Industrial Estate Limited *	316.55	(36.52)	280.84	0.82	-	2.47	(13.38)	-	(13.38)	-	100
2	Siel Financial Services Limited	186.23	(223.91)	14.70	52.38	-	0.38	(0.59)	-	(0.59)	-	93.56
3	Siel Infrastructure & Estate Developers Private Limited	1,376.16	(10.01)	1,366.24	0.09	1,365.70	0.04	(0.21)	-	(0.21)	-	100

*Includes 49.29% (previous period 49.29%) held by Siel Infrastructure & Estate Developers Private Limited. (SIEL-IED), a wholly owned subsidiary.

For and on behalf of the Board of Directors

DHARAM PAL SHARMA
 Whole Time Director
 (DIN: 07259344)

DINESH MOHAN
 Director
 (DIN: 00077959)

RAVINDER SINGH BEDI
 Director
 (DIN: 01408189)

PARMJIT KAUR
 Director
 (DIN: 06714249)

PIAR CHAND JASWAL
 Director
 (DIN: 07100098)

ASHOK KUMAR SHUKLA
 Company Secretary

DR. ANIL ARORA
 Chief Financial Officer

Date : 10th May, 2016
 Place : New Delhi



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAWANA SUGARS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MAWANA SUGARS LIMITED** (hereinafter referred to as "the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") ,Which comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the fifteen months period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated financial statements that give a true

and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Parent Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the fifteen months period ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. Attention is invited to note 2(B) of the consolidated financial statements regarding the Parent Company being registered with Board for Industrial and Financial Reconstruction in September 2013 consequent to it becoming a "Sick Industrial Company" in terms of the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions), Act, 1985, as the Parent Company's net worth has been eroded and the Parent Company had incurred cash losses during the prior periods and its current liabilities are in excess of current assets. However during the current period the Parent Company has generated profits and has restructured a major portion of its outstanding debts as detailed in the said note. As such, the financial statements have been prepared by the Management of the Parent Company on a going concern basis for the reasons stated in the said note.
2. Attention is invited to note 41 (i) of the consolidated financial statements which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former Chairman and Managing Director for which a refund of Rs 7.04 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Parent Company.
3. Attention is invited to note 41 (ii) of the consolidated financial statements which sets out the position regarding remuneration paid in excess of remuneration approved by the Central Government to its former whole time director for which a refund amounting to Rs 6.61 million required in terms of Section 197(9) of the Companies Act, 2013 has not been obtained by the Parent Company.
4. Attention is invited to note 41 (iii) of the consolidated financial statements. As stated in the note, remuneration paid to whole

INDEPENDENT AUDITORS' REPORT (Contd...)

time director of the Parent Company amounting to Rs. 1.08 million is subject to the approval of shareholders' and Central Government under the provisions of Companies Act 2013.

Our opinion is not modified in respect of these matters.

Other Matters

- a) We did not audit the financial statements of subsidiaries, viz., Siel Industrial Estate Limited, Siel Financial Services Limited and Siel Infrastructure & Estate Developers Private Limited, whose financial statements reflect total assets of Rs. 296.05 million as at March 31, 2016 and total revenues of Rs. 2.88 million and net cash flows amounting Rs. 7.63 million for the fifteen months period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Parent company and a subsidiary companies we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2016 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 30(a) and (c) to the consolidated financial statement.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 50 to the consolidated financial statement.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies.

For **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

Manjula Banerji
Partner

Date : 10th MAY, 2016
Place : NEW DELHI

(Membership No. 086423)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

"Our reporting on the Order includes three subsidiary companies, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements."

- (i) In respect of the fixed assets of the Parent Company, subsidiary companies:
 - (a) The respective companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us and other auditor, the respective companies have a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years/reasonable interval which, in our opinion and the opinion of the other auditor, is reasonable having regard to the size of the respective companies and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management of the respective companies during the period. According to the information and explanations given to us and other auditor no material discrepancies were noticed on such verification.
- (ii) In respect of inventory of the Parent Company, subsidiary companies:
 - (a) As explained to us and other auditor, the inventories were physically verified during the period by the Management of the respective companies at reasonable intervals.
 - (b) In our opinion and the opinion of other auditor and according to the information and explanations given to

INDEPENDENT AUDITORS' REPORT (Contd...)

- us and other auditor, the procedures of physical verification of inventories followed by the Management of the respective companies were reasonable and adequate in relation to the size of the respective Companies and the nature of its business.
- (c) In our opinion and opinion of the other auditor and according to the information and explanations given to us and other auditor, the respective companies have maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Parent Company and subsidiary companies have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and opinion of the other auditor and according to the information and explanations given to us and other auditor, there are adequate internal control systems commensurate with the size of the respective Companies and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no sale of services during the period. During the course of our audit and other auditor we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us and other auditor, the Parent Company and subsidiary companies don't have any outstanding deposits during the period and have not accepted any deposits during the period.
- (vi) We have broadly reviewed the cost records maintained by the Parent Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under Section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and other auditor in respect of statutory dues:
- (a) The Parent Company and subsidiary companies have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to them with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) There are no disputed dues of Wealth Tax and Customs Duty which have not been deposited on account of any dispute.
- The details of dues of Sales Tax, Income-tax, Service Tax and Excise Duty which have not been deposited as at March 31, 2016 on account of disputes are given below:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending	
1	Sales Tax Laws	Sales Tax	6.36	-	2009-10 to 2013-14	High Court Appellate Authority upto Commissioner's level	
			84.22	10.64	1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2011-12 and 2012-13		
			2.53	-	1978-79 & 1979-80		Tribunal
2	Income Tax Laws	Income Tax	30.28	30.28	1998-99	High Court	
3	Central Excise Laws	Excise Duty	10.35	-	2007-08 to 2014-15	High Court Customs Excise and Service Tax Appellate Tribunal (CESTAT)	
			133.33	0.40	1998-99, 2001-02 and 2005-06 to 2011-12		
			1.04	-	1999-2000 to 2002-03		Supreme Court
			129.04	0.55	1981-82 to 1984-85, 1994-95 to 1997-98, 1999-00, 2001-02, 2004-05 and 2006-07 to 2015-16		Appellate Authority upto Commissioner's level
		Service Tax	0.19	-	2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)	
			17.24	0.02	2005-06 to 2015-16	Appellate Authority upto Commissioner's level	

Period in respect of income tax represents assessment year.

INDEPENDENT AUDITORS' REPORT (Contd...)

The following matters which have been excluded from the above table have been decided in favour of the Parent Company but the department has preferred appeal at higher level:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2	Income Tax Laws	Income Tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year.

- (d) There were no amounts which were required to be transferred into the Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within the time.
- (viii) The consolidated accumulated losses of the Group at the end of the period i.e. March 31, 2016 are not less than fifty percent of its net worth and the Group has not incurred cash losses during the fifteen months period ended March 31, 2016. During the previous fifteen months period ended December 31, 2014 the Group had incurred cash losses.
- (ix) According to the records of the Parent Company and subsidiary companies examined by us and the other auditor and the information and explanations given to us and other auditor, the Parent Company and subsidiary companies, during the period, have not defaulted in repayment of dues to financial institutions and have not issued debentures.
- (x) According to the information and explanations given to us and the other auditor, the Parent company and subsidiary companies have not given any guarantees during the period for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us and other auditor, the term loans have been applied by the Parent Company and subsidiary companies during the period for the purposes for which they were obtained.
- (xii) To the best of our knowledge and of other auditor and according to the information and explanations given to us and other auditor, no fraud by the Parent Company and the subsidiary companies and no material fraud on the Parent Company and subsidiary companies have been noticed or reported during the period.

During the period ended March 31, 2016, the Parent Company and Subsidiary Companies have defaulted in repayment of following loans to banks:

Lender	Amount (Rs. Million)	Period of Delays up to March 31, 2016 (in days)
Banks (including interest)	1766.84	1-974 days

For **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

Date : 10th MAY, 2016
Place : NEW DELHI

Manjula Banerji
Partner
(Membership No. 086423)

Mawana Sugars Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note No.	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	391.16	391.16
Reserves and surplus	4	(4,257.37)	(4,265.33)
		(3,866.21)	(3,874.17)
Non - current liabilities			
Long - term borrowings	5	2,455.71	909.42
Other long term liabilities	6	679.95	158.24
Long - term provisions	7	101.31	111.03
		3,236.97	1,178.69
Current liabilities			
Short - term borrowings	8	484.14	1,977.02
Trade payables			
-Dues of micro and small enterprises	52	16.98	11.55
-Dues of Creditors other than micro and small enterprises	9	7,146.77	6,543.38
Other current liabilities	10	3,468.86	3,462.20
Short - term provisions	11	44.14	45.53
		11,160.89	12,039.68
	TOTAL	10,531.65	9,344.20
<u>ASSETS</u>			
Non - current assets			
Fixed assets			
- Tangible assets	12	4,408.95	4,736.41
- Capital work in progress		28.05	12.05
		4,437.00	4,748.46
Non - current investments	13	0.02	0.02
Long - term loans and advances	14	250.68	194.75
Other non - current assets	15	13.08	9.78
		4,700.78	4,953.01
Current assets			
Inventories	16	4,414.39	3,133.48
Trade receivables	17	724.93	513.53
Cash and cash equivalents	18	464.54	440.03
Short - term loans and advances	19	218.26	282.89
Other current assets	20	8.75	21.26
		5,830.87	4,391.19
	TOTAL	10,531.65	9,344.20

Accompanying notes 1 to 55 are an integral part of the consolidated financial statements

In terms of our report attached
For A.F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

MANJULA BANERJI
Partner
(Membership No. 086423)

Date : 10th May, 2016
Place : New Delhi

ASHOK KUMAR SHUKLA
Company Secretary

DR. ANIL ARORA
Chief Financial Officer

PARMJIT KAUR
Director
(DIN: 06714249)

PIAR CHAND JASWAL
Director
(DIN: 07100098)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

DINESH MOHAN
Director
(DIN: 00077959)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

	Note No.	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
REVENUE			
Revenue from operations (Gross)	21	15,778.90	14,790.91
Less: excise duty		932.53	784.35
Revenue from operations (Net)		14,846.37	14,006.56
Other income	22	98.38	89.69
TOTAL REVENUE		14,944.75	14,096.25
EXPENSES			
Cost of materials consumed	23	11,049.95	11,142.81
Purchase of stock-in-trade	24	18.30	3.36
Changes in inventories of finished goods, work in progress and stock-in-trade	25	(1,293.41)	(525.26)
Employee benefits expense	26	898.60	940.32
Finance costs	27	767.78	768.88
Depreciation and amortization expense	12	379.33	609.64
Other expenses	28	3,116.24	2,970.33
TOTAL EXPENSES		14,936.79	15,910.08
Profit/(Loss) before tax		7.96	(1,813.83)
Tax expense:			
Relating to earlier years		-	0.09
Profit/(Loss) after tax (before minority interest)		7.96	(1,813.92)
Minority Interest		-	-
Profit/(Loss) after tax and minority interest		7.96	(1,813.92)
Earnings per equity share - basic/diluted (Rs.) (Face value Rs. 10 per share)	36	0.20	(46.37)

Accompanying notes 1 to 55 are an integral part of the consolidated financial statements

In terms of our report attached
For A.F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

MANJULA BANERJI
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(DIN: 00077959)

Date : 10th May, 2016
Place : New Delhi

DR. ANIL ARORA
Chief Financial Officer

PIAR CHAND JASWAL
Director
(DIN: 07100098)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

Mawana Sugars Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
A. Cash flow from operating activities :		
Profit/(Loss) before tax	7.96	(1,813.83)
Add: Depreciation and amortisation expense	379.33	609.64
Finance costs	752.66	768.88
Provision for doubtful trade and other receivables, loans and advances	6.61	-
Loss on sale / write off of assets	0.97	0.33
Less: Interest income	36.06	33.01
Liabilities / provisions no longer required written back	15.88	3.71
Profit on sale / write off of assets	0.04	0.02
Operating profit/(loss) before working capital changes	1,095.55	(471.72)
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(1,280.91)	(523.19)
Trade receivables	(218.01)	(100.00)
Short-term loans and advances	64.95	(116.70)
Long-term loans and advances	(16.13)	13.39
Other non-current assets	(3.30)	(1.18)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	608.82	3,468.39
Other current liabilities	141.73	92.18
Other long-term liabilities	1.38	1.01
Short-term provisions	(1.39)	(10.52)
Long-term provisions	(9.72)	(1.70)
Cash generated from operations	382.97	2,349.96
Direct taxes (paid)/refund received	(6.08)	3.99
Net cash flow from/(used in) operating activities (A)	376.90	2,353.95
B. Cash flow from investing activities :		
Capital expenditure on fixed assets, including capital advances	(109.26)	(53.87)
Proceeds from sale of fixed assets	6.43	0.34
Bank balances not considered as Cash and cash equivalents	14.88	(115.98)
Interest received	48.55	19.07
Net cash flow from / (used in) investing activities (B)	(39.40)	(150.44)
C. Cash flow from financing activities :		
Repayment of long term borrowings- secured	(242.29)	(220.28)
Net increase / (decrease) in working capital borrowings	(30.01)	(1,757.24)
Finance costs paid	(25.81)	(80.42)
Net cash flow from / (used in) financing activities (C)	(298.11)	(2,057.94)
D. Net increase / (decrease) in Cash and cash equivalents (A+B+C)	39.39	145.57
E. Cash and cash equivalents (refer Note 18)	226.57	81.00
Cash and cash equivalents at the beginning of the period	226.57	81.00
F. Cash and cash equivalents (refer Note 18)	265.96	226.57
Cash and cash equivalents at the end of the period	265.96	226.57
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	39.39	145.57

Note: The above Cash Flow Statement has been prepared under the "indirect methods" as set out in the Accounting Standard (AS-3) on "Cash Flow Statement"

In terms of our report attached
For A.F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

MANJULA BANERJI
Partner
(Membership No. 086423)

ASHOK KUMAR SHUKLA
Company Secretary

PARMJIT KAUR
Director
(DIN: 06714249)

DINESH MOHAN
Director
(DIN: 00077959)

Date : 10th May, 2016
Place : New Delhi

DR. ANIL ARORA
Chief Financial Officer

PIAR CHAND JASWAL
Director
(DIN: 07100098)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED MARCH 31, 2016

1. BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements” specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013.

- i. The subsidiaries (which along with Mawana Sugars Limited (MSL), the Parent Company, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name	Country of Incorporation	Percentage of voting power, as at March 31, 2016	Percentage of voting power, as at December 31, 2014
Siel Industrial Estate Limited (SIEL-IE)*	India	100	100
Siel Financial Services Limited (SFSL)	India	93.56	93.56
Siel Infrastructure & Estate Developers Private Limited (Formerly Avro Sales Private Limited) (SIEL-IED)	India	100	100

*Includes 49.29% (Previous period 49.29%) held by Siel Infrastructure & Estate Developers Private Limited. (SIEL-IED), a wholly owned subsidiary.

- ii. The financial statements of the Parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- iii. These consolidated financial statements are based, in so far as they relate to amounts included in respect of the subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of AS- 21 by each of the aforesaid subsidiaries.

2. (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Basis of accounting and preparation of consolidated financial statements:

The consolidated financial statements of the Parent Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

- b) Use of Estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management of the Parent Company and its subsidiaries to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

- c) Fixed assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project ready for its intended use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

- d) Depreciation and amortization:

- i. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- ii. Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation of the asset and in case of assets costing up to Rs. 5,000 each such asset is fully depreciated in the period of purchase.
- iii. Leased fixed assets
Leased fixed assets, wherein the lease rentals are classified as non performing asset, depreciation is being charged on the straight -line method at the rates prescribed in the Schedule II to the Companies Act, 2013, with effect from the date on which the lease rentals have been classified as non performing assets and not over the primary lease period.
- e) Investments:
Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.
- f) Inventories:
Inventories are valued at lower of cost and net realisable value.
Cost of inventory is ascertained on the 'weighted average' basis. Further, in respect of manufactured inventories i.e. process stocks and finished goods, an appropriate share of manufacturing expenses is included on absorption costing basis including excise duty.
Stock in trade- shares, debentures and other securities are valued at lower of cost or market price/break-up value determined for each category of stock-in-trade. The cost is ascertained on the basis of annual weighted average purchase price.
Stock of land is valued at lower of cost and estimated realisable value.
- g) Revenue recognition:
i) Sale of goods are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the dispatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax.
Renewable Energy Certificate (REC) is to be recognised as income on sale of REC.
ii) Income from the non-performing assets is recognised in accordance with the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India on January 31, 1998 and as amended from time to time.
Further, provision for non-performing assets viz, investments, fixed assets, current assets and loans and advances is made in accordance with the said guidelines and are reduced against such assets.
iii) Income from sale of land is recognised on receipt of full consideration from the customers.
- h) Research and development expenditure:
Revenue expenditure on research and development is expensed out under the respective heads of account in the period in which it is incurred.
- i) Employee benefits:
Defined contribution plans
The group contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are charged as an expense as it falls due based on the amount of contribution required to be made and when services are rendered by the employees.
Defined benefit plans
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service.

j) Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Parent Company and its subsidiaries will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Parent Company and its subsidiary companies.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

k) Foreign exchange transactions:

Initial recognition

Transactions in foreign currencies entered into by the group are accounted at the exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (i.e. receivables, payables, loans etc) of the Parent Company and its subsidiaries outstanding at the Balance Sheet date are restated at the period-end rates.

Treatment of exchange differences

The exchange differences arising on the settlement of monetary items or on reporting these items at rates different from rates at which these were initially recorded/reported in previous consolidated financial statements are recognised as income/expense in the period in which they arise.

Accounting of forward contracts

In case of forward contracts, the premium or discount arising at the inception of such contracts is amortised as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognised as income/expense during the period.

l) Pre-operative expenses:

Pre-operative expenses, pending allocation represents indirect expenditure incurred during the construction periods which are allocated to capital/revenue on commissioning of the project.

m) Operating Lease:

Operating Lease receipts and payments are recognized as income or expense in the Consolidated Statement of Profit and Loss on a systematic basis over the lease term.

n) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

o) Earnings per share:

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

p) Impairment of assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

q) Provisions and contingencies:

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the 'Notes to the consolidated financial statements'.

2. (B) The Parent Company over the last few years has been incurring cash losses due to which its net worth has been eroded and its current liabilities are in excess of its current assets. The Indian sugar industry, particularly in the State of Uttar Pradesh, has faced difficulties on account of increasing sugar cane prices and corresponding lower than expected recovery of sugar from cane, lower sugar prices and consequential under recovery of cost of production. These factors have adversely affected the Parent Company's operations and financial performance. Higher finance costs have also added to the cash losses.

The Parent Company got registered with the Board for Industrial and Financial Reconstruction (BIFR) on 10th September 2013 as sick industrial company (in terms of section 3(1)(o)) under the provisions of Section 15 (1) of the Sick Industrial Companies (Special Provisions), Act, 1985 (SICA). The process for revival / rehabilitation of the Parent Company is under way in line with the prescribed procedure and rules under SICA.

The State and Central Government have initiated various steps to support the sugar industry like decontrol of free sale of sugar release mechanism, doing away with levy quota system, subsidy of Rs 28.60 per qtl on sugar cane purchased during the sugar season 2014-15 and also considering linking the cane price with sugar price. All the aforesaid measures are expected to support the industry and also the operations of the Parent Company in the near future. The Parent Company has also initiated various steps including cane development activities, enhancing plant efficiencies, costs reduction etc. to improve the performance of the Parent Company.

As such, the Parent Company is confident that BIFR will approve a rehabilitation scheme which would entail part sale of its surplus/non-core assets to discharge some of its financial obligations and improve cash flow, reschedulement of the outstanding debt/payables (including overdue debt/payables), and other requisite financial restructuring in consultation with various stakeholders to improve its financial position including net worth.

During the current period, the industry has witnessed a steady increase in sugar prices and improved cane recoveries. This has resulted in the Parent Company generating profits including cash profits during the period. The industry outlook is also positive in the short and long term with sugar prices expected to hold.

Pursuant to the assignment of all rights, titles and interests in the financial assistance granted by two term lenders to the Parent Company with an asset reconstruction company, a major portion of the outstanding debts has been restructured for repayment, and the Parent Company is in the process of negotiation with the remaining lenders. Further, the business restructuring plan as mentioned in the rehabilitation scheme is being pursued by the Parent Company.

In view of the above, the Board of Directors of the Parent Company is confident that the Parent Company would be in a position to realize its assets and discharge its liabilities by successfully implementing the rehabilitation scheme and in the normal course of its business. Accordingly, these financial statements have been prepared on a going concern basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3. Share Capital

	As at 31.03.2016		As at 31.12.2014	
	Number of shares	Rs. Million	Number of shares	Rs. Million
Authorised				
- Equity shares of Rs. 10 each	175,000,000	1,750.00	175,000,000	1,750.00
	175,000,000	1,750.00	175,000,000	1,750.00
Issued, subscribed and fully paid up				
- Equity shares of Rs. 10 each fully paid up	39,115,672	391.16	39,115,672	391.16
	39,115,672	391.16	39,115,672	391.16

- (i) There are no changes in issue, subscribed and fully paid up capital during the period and in the previous period
- (ii) The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Parent Company. Each holder of equity shares have a right to receive per share dividend declared by the Parent Company. In event of liquidation of the Parent Company, holder of equity shares will be entitled to receive remaining assets of the Parent Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) **Details of shareholders holding more than 5% equity shares in the Group:**

Name of shareholders	As at 31.03.2016		As at 31.12.2014	
	No. of Shares held	% age of holding	No. of Shares held	% age of holding
Siddharth Shriram (including shares held as trustee of Enterprise Trust)	27,334,248	69.88	27,334,248	69.88

4. Reserves and surplus

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Capital reserves ¹	1,030.17	1,030.17
Capital redemption reserve	87.72	87.72
Share premium	1,495.04	1,495.04
General Reserve	4.54	4.54
Surplus/(deficit) in the Statement of Profit and Loss	(6,874.84)	(6,882.80)
	(4,257.37)	(4,265.33)

¹ Includes Rs. 991.46 million representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Movement in reserves and surplus are as under

Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(6,882.80)	(5,068.88)
Add : Profit/(loss) for the period	7.96	(1,813.92)
Closing balance	(6,874.84)	(6,882.80)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. Long term borrowings^{1#}

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Term loans		
- From banks	1,377.50	1,532.63
- From others	2,909.12	1,445.56
Funded interest term loans		
- From banks	39.03	49.13
- From others	8.62	38.40
	4,334.27	3,065.72
Less : Current maturities of long term borrowings as disclosed under head "other current liabilities" (Note 10)²	1,878.56	2,156.30
	2,455.71	909.42

¹ The period and amount of continuing default in repayment of borrowings as at the period end:

	As at 31.03.2016		As at 31.12.2014	
	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Borrowings:				
Term loans				
- From banks	1,155.07	1-974	1,081.62	1-518
- From others	244.51	1-974	557.11	1-518
Funded interest term loans				
- From banks	39.03	1-974	49.13	1-518
- From others	8.62	1-974	38.4	1-518
Interest accrued and due on borrowings:				
Term loans				
- From banks	572.74	1-974	245.71	1-518
- From others	122.52	1-974	120.86	1-518

²Details of current maturities of long term borrowings are as under:

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Term loans		
- From banks	1,318.28	1,264.62
- From others	512.63	804.15
Funded interest term loans		
- From banks	39.03	49.13
- From others	8.62	38.40
	1,878.56	2,156.30

Pursuant to an assignment of all rights, titles and interest in the financial assistance i.e Long term borrowings, Short term borrowing, cash credit and Funded Interest Term Loan granted by the term lenders to the Parent Company with an Asset Reconstruction Company, Rs 2210.00 million has been restructured for repayments till 2023.

Accordingly such Long term borrowings, Short term borrowings, cash credits and Funded Interest Term Loans which hitherto were classified under Long term borrowings, Short term borrowing and other current liabilities have now been reflected under Long term borrowings and Other current liabilities in Note 5 and Note 10 respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Secured

Term loans and funded interest term loans

1. From Banks

	As at March 31, 2016 Rs. Million	As at December 31, 2014 Rs. Million	Rate of interest	Security clause
i.	1,377.50	1,532.63	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company. (ii) The loans are also secured by corporate guarantee issued by SIEL Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.
ii.	39.03	49.13	0% (Funded Interest Term Loan)	

2. From others

i.	291.62	795.79	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company. (ii) The loans are also secured by corporate guarantee issued by SIEL Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.
ii.	2165.00	-	0%	
iii.	8.62	38.40	0% (Funded Interest Term Loan)	
iv.	-	30.70	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
v.	42.74	42.74	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
vi.	253.04	253.04	4%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), is secured by first pari-passu charge on all movable and immovable properties of the Parent Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan is further secured by personal guarantee of erstwhile Chairman and Managing Director of the Parent Company.
vii.	63.02	157.55	6.50%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Nanglamlal Sugar Complex, situated at Nanglamlal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
viii.	11.30	33.89	4%	
ix.	82.40	131.85	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by bank guarantee issued in favour of Government of India.

Repayment Schedule of Long Term Borrowings

Rs. Million

12 months ending March 31, 2017	1,878.56
12 months ending March 31, 2018	268.44
12 months ending March 31, 2019	241.24
12 months ending March 31, 2020	280.35
April 1, 2020 onwards	1,665.68
	4,334.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. Other long term liabilities

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Interest accrued but not due on borrowings ¹	669.56	149.23
Others	10.39	9.01
	679.95	158.24

¹ Represent interest accrued on borrowing assigned to an Asset Reconstruction Company. Refer note 5(#)

7. Long - term provisions

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	79.51	85.77
- Provision for compensated absences ¹	21.80	25.26
	101.31	111.03

¹ Refer note 34.

8. Short - term borrowings

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Secured		
Loan repayable on demand - Cash credit/overdraft from banks	468.44	1,961.32
Unsecured		
Other Loans and Advances	15.70	15.70
	484.14	1,977.02

A 1. Cash credit / overdraft amounting to Rs. 422.10 million (previous period Rs. 1909.97 million) are secured by first pari-passu charge on the current assets of the Parent Company and third pari-passu charge on the fixed assets of sugar units of the Parent Company. This limit is also secured by second pari-passu charge on the fixed assets of chemical division of the Parent Company. Further, these loans are also secured by corporate guarantee issued by SIEL Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajaura in the state of punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.

2. Cash credit amounting to Rs. 46.34 million (previous period Rs. 51.35 million) are secured by first pari-passu charge on the current assets of the Parent Company and fixed assets of chemical division of the Parent Company situated at Rajaura in the state of punjab.

B The period and amount of continuing default in repayment of borrowings as at the period end:

	As at 31.03.2016		As at 31.12.2014	
	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Interest accrued and due on borrowings:				
Cash Credit/Overdraft				
- From banks	162.76	1-974	342.78	1-518

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

9. Trade payables

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Trade payables (including acceptances)		
- Dues to other than micro and small enterprises	7,146.77	6,543.38
	7,146.77	6,543.38

10. Other current liabilities

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Current maturities of long term debts ¹	1,878.56	2,156.30
Interest accrued but not due on borrowings	71.35	61.47
Interest accrued and due on borrowings	858.02	709.35
Other payables		
- Taxes and other statutory dues	386.85	338.39
- Advances from customers	49.29	38.96
- Security deposits	48.88	48.99
- Capital creditors	23.15	23.09
- Others	152.76	85.65
	3,468.86	3,462.20

¹Refer Note 5

11. Short - term provisions

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Provision for employee benefits		
- Provision for gratuity ¹	20.41	21.45
- Provision for compensated absences ¹	2.59	2.94
Others		
- Provision for taxation	21.14	21.14
	44.14	45.53

¹Refer note 34.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

12. FIXED ASSETS¹

	Gross Block (At Cost)			Depreciation			Net Block	
	As at 31.12.2014	Additions	Deductions	As at 31.03.2016	For the period including transitional adjustment ²	On deductions	As at 31.03.2016	As at 31.12.2014
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
TANGIBLE ASSETS								
Land	269.60 (268.22)	4.46 (1.38)	-	274.06 (269.60)	-	-	274.06 (269.60)	269.60 (268.22)
Buildings	870.35 (846.13)	20.39 (24.22)	-	890.74 (870.35)	70.26 (29.74)	-	353.32 (283.06)	537.42 (592.81)
Plant and equipment	9,409.71 (9,401.70)	31.01 (16.44)	5.02 (8.43)	9,435.70 (9,409.71)	282.93 (569.57)	3.91 (8.11)	5,852.96 (5,573.94)	3,835.77 (4,389.22)
Office equipment	100.26 (92.23)	3.14 (9.51)	8.99 (1.48)	94.41 (100.26)	17.42 (6.95)	7.38 (1.21)	83.04 (73.00)	27.26 (24.97)
Furniture and fixtures	40.85 (40.76)	0.18 (0.48)	9.44 (0.39)	31.59 (40.85)	6.62 (2.41)	4.80 (0.33)	29.72 (27.90)	12.95 (14.94)
Vehicles	12.92 (12.46)	0.05 (1.25)	0.04 (0.79)	12.93 (12.92)	2.10 (0.97)	0.04 (0.79)	11.44 (9.38)	3.54 (3.26)
Total (A)	10,703.69	59.23	23.49	10,739.43	379.33	16.13	6,330.48	4,736.41
INTANGIBLE ASSETS								
Goodwill ²	135.25 (135.25)	-	-	135.25 (135.25)	-	-	135.25 (135.25)	-
Total (B)	135.25	-	-	135.25	-	-	135.25	-
Current period (A+B)	10,838.94	59.23	23.49	10,874.68	379.33	16.13	6,465.73	4408.95
Previous period	(10,796.75)	(53.28)	(11.09)	(10,838.94)	(609.64)	(10.44)	(6,102.53)	(4,736.41)
Capital work-in-progress								12.05
							28.05	

1. Rs. 1.07 million (previous period Rs. 1.07 million) received as advance against sale of land at Mawana will be adjusted after execution of conveyance deed.

2. Represents goodwill arising on consolidation and has been written off in an earlier period.

3. Refer Note 45

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

13. NON - CURRENT INVESTMENTS

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
VALUED AT COST UNLESS THERE IS DECLINE IN VALUE, OTHER THAN TEMPORARY		
TRADE INVESTMENTS		
Investment in Equity Instruments		
- Unquoted		
Capaxil Agencies Limited	1	
5 (previous period 5) Equity shares of Rs.1,000 each fully paid-up	0.01	0.01
Agro Pumpsets & Implements Limited		
10 (previous period 10) Equity shares of Rs. 500 each fully paid-up	0.01	0.01
Mawana Co-operative Development Union Limited	1	
2 (previous period 2) Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	#	#
Ramraj Co-operative Cane Development Union Limited	1	
2 (previous period 2) Equity shares of Rs.10 each, Rs. 5 per share paid-up (# Rs. 10)	#	#
OTHER INVESTMENT		
Investment in Equity Instruments		
- Unquoted		
SFSL Investments Limited		
54 Equity shares of Rs.10 each fully paid-up (# Rs 540)	#	#
Less : Provision for diminution in value (# Rs 540)	#	#
	-	-
MSD Industrial Enterprises Limited		
295,700 Equity Shares of Rs. 10 each fully paid- up	10.82	10.82
Less : Provision for diminution in value	(10.82)	(10.82)
	-	-
	0.02	0.02
Aggregate value of investments		
Unquoted	0.02	0.02
	0.02	0.02

¹ Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Parent Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

14. Long - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Capital advances	34.03	0.50
Security deposits		
- Good ¹	85.51	72.30
- Doubtful	0.53	0.53
Other loans and advances		
- Advance Income tax	73.87	63.43
- Excise, service tax, VAT and other balances with government authorities	7.68	7.43
- Dues from employees	0.04	-
- Prepaid Expenses	0.62	2.14
- Advances recoverable in cash or in kind or for the value to be received		
- Good	48.93	48.95
- Doubtful	127.03	127.03
	378.24	322.31
Less : Provision for doubtful advances	127.56	127.56
	250.68	194.75

¹ Includes deposit with related party Rs. Nil (previous period Rs. 4.25 million)

15. Other non - current assets

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Fixed deposits with banks (Earmarked)	13.08	9.78
	13.08	9.78

16. Inventories¹

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Raw and packing materials	85.85	82.98
Work-in-progress	67.67	184.36
Finished goods	3,813.67	2,421.87
Stores and spares	200.93	216.30
Stock in trade - shares (refer note 16A)	0.02	0.02
Land	246.25	227.95
	4,414.39	3,133.48

¹ Refer note 2(A)f

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

16A. Stock In Trade: Shares

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Equity shares of Rs.10 each fully paid-up		
Unquoted		
110 Equity shares of Nagarjuna Fertilizers and Chemicals Limited (# Rs.110)	#	#
Quoted		
300 Equity shares of S. Mobility Limited (#Rs.4470)	#	#
140 Equity shares of Asian Hotels (North) Limited (#Rs.4590)	#	#
140 Equity shares of Asian Hotels (East) Limited (#Rs.4590)	#	#
140 Equity shares of Asian Hotels (West) Limited (#Rs.4590)	#	#
	0.02	0.02

Aggregate value of shares held as stock- in - trade

Quoted market value Rs. 0.06 million (previous period Rs. 0.08 million)

17. Trade receivables

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Receivables outstanding for a period exceeding six months from the due date		
Secured - good	0.23	0.20
Unsecured - considered good	8.62	13.30
- doubtful	53.75	56.55
	62.60	70.05
Less : Provision for doubtful debts	53.75	56.55
(A)	8.85	13.50
Other Receivables		
Secured - good	5.71	15.93
Unsecured - considered good	710.37	484.10
(B)	716.08	500.03
Total (A+B)	724.93	513.53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

18. Cash and cash equivalents

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Cash and cash equivalents		
Cash on hand	1.71	1.50
Balances with banks		
- On current accounts	233.02	201.88
Other bank balances		
Earmarked balances		
- Current Account	-	26.33
Deposits with original maturity of more than three months but less than twelve months.	31.23	23.19
Balance held as margin money or security against borrowing and guarantee	198.58	187.13
	464.54	440.03
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	265.96	226.57

19. Short - term loans and advances (Unsecured and considered good unless otherwise stated)

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Security deposits	3.64	4.53
Loans and advances	-	0.04
Other loans and advances		
- Advance income tax	0.32	-
- Excise, service tax, VAT and other balances with government authorities	137.92	210.36
- Dues from employees ¹	8.35	9.43
- Prepaid Expenses	20.43	17.76
- Advances to Vendors	14.42	16.07
- Advances recoverable in cash or in kind or for the value to be received		
- Good	33.18	24.70
- Doubtful ²	6.61	-
	224.87	282.89
Less: Provision for doubtful advances	6.61	-
	218.26	282.89

¹ Includes Rs. 7.04 million (previous period Rs. 7.04 million) recoverable from former chairman and managing director of the Parent Company (refer note 41(i))

² Refer note 41(ii)

20. Other Current Assets

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
Interest accrued on deposits	8.75	21.26
	8.75	21.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

21. Revenue from Operations

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Sale of products - finished goods	15,762.20	14,761.65
Sub - Total (A)	15,762.20	14,761.65
Other Operating Revenues		
- Sale of scrap	14.27	27.23
- Other operating income	2.43	2.03
Sub - Total (B)	16.70	29.26
Total (A+B)	15,778.90	14,790.91

22. Other Income

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Interest income ¹	36.06	33.01
Profit on sale of fixed assets	0.04	0.02
Provision / Liabilities no longer required written back ²	15.88	3.71
Rent received	0.68	0.52
Miscellaneous income ³	45.72	52.43
Total	98.38	89.69
¹ Interest income comprises of:		
- Interest from banks	25.40	20.77
- Interest on income tax refunds	0.02	0.21
- interest from others	10.64	12.03
	36.06	33.01

² Includes Rs. 0.42 million (previous period Rs 0.30 million) provision for doubtful trade receivables/advances no longer required written back.

³ Includes Rs. 32.48 million (previous period Rs. 42.02) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India (refer note 46)

23. Cost of materials consumed¹

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Opening stock	82.98	77.31
Add: Purchases	11,052.82	11,148.48
	11,135.80	11,225.79
Less: Closing stock	85.85	82.98
Total	11,049.95	11,142.81

¹ Refer Note 49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

24. Purchase of stock-in-trade

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Purchases		
- Land	18.30	3.36
Total	18.30	3.36

25. Changes in inventories of finished goods, work in progress and stock-in-trade

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
<u>Inventories at the end of the period:</u>		
Finished goods	3,813.67	2,421.87
Work - in - progress	67.67	184.36
Land	246.25	227.95
Stock in trade - shares	0.02	0.02
Total (A)	4,127.61	2,834.20
<u>Inventories at the beginning of the period:</u>		
Finished goods	2,421.87	2,041.59
Work - in - progress	184.36	42.74
Land	227.95	224.59
Stock in trade - shares	0.02	0.02
Total (B)	2,834.20	2,308.94
Net (increase)/decrease (B-A)	(1,293.41)	(525.26)

26. Employee benefits expense

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Salaries, wages etc	771.62	784.81
Contribution to provident and other funds	83.37	97.93
Staff welfare expenses	43.61	57.58
Total	898.60	940.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

27. Finance Cost

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Interest		
- On borrowings	752.66	751.29
- On others	6.72	6.28
Other borrowing costs	8.40	11.31
Total	767.78	768.88

28. Other expenses

	15 Months ended 31.03.2016 Rs. Million	15 Months ended 31.12.2014 Rs. Million
Consumption of stores and spare parts	608.39	632.41
Power, fuel, water etc.	1,630.77	1,655.69
Repairs		
- Building	30.49	11.46
- Plant and Machinery	95.83	106.12
- Other Repairs	12.17	21.90
Rent paid	52.69	63.11
Auditors' Remuneration ¹		
As auditors		
- Audit fee	2.55	2.56
- Out -of-pocket expenses	0.14	0.07
In other capacity		
- For limited review of unaudited financial results	3.40	3.40
- For verification of statement and other reports	1.97	2.58
Insurance	9.06	12.45
Rates and taxes	12.63	12.50
Jobs on contract	159.59	139.68
Freight and transport	67.30	54.22
Cash discount	5.33	15.96
Increase/(decrease) in excise duty on finished goods	125.66	35.28
Net Loss on foreign currency transactions	0.39	0.29
Legal and professional expenses	86.40	73.73
Bad debts written off	8.53	2.26
Less: Charged against provisions	<u>2.37</u>	<u>-</u>
Provision for doubtful debts and advances	6.61	-
Loss on sale/write off of fixed assets	0.97	0.33
Land Development Exp.	2.48	-
Enhancement of compensation in respect of Land sold in earlier years	4.96	-
Miscellaneous expenses	190.30	124.33
Total	3,116.24	2,970.33

¹ Includes remuneration of Auditors of Parent Company and its subsidiaries.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

29. Commitments

	As at 31.03.2016 Rs. Million	As at 31.12.2014 Rs. Million
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets (Net of advances)	95.92	11.97
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#

30. Contingent liabilities:

a) Claims against the Parent Company and its subsidiaries not acknowledged as debt in respect of*:		
- Income tax	336.70	336.70
- Sales tax	84.79	81.08
- Excise Duty/Service tax	291.40	276.77
- Others	1,561.38	482.09

*All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Parent Company/its subsidiaries.

b) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited by the Parent Company	70.00	70.00
Dues outstanding	22.40	33.98
Other Bank Guarantee issued	0.05	0.05
c) The Parent Company has provided bank guarantees aggregating Rs. 72.01 million (previous period Rs. 72.01 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 43.68 million (previous period Rs. 43.68 million) have been received. These demands are presently under various stages of appeal.		
d) During a previous period, the Parent Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary has been struck off under the Easy Exit Scheme, 2011.		

31. Research and development expenses included under relevant heads in the Consolidated Statement of Profit and Loss amounting to Rs. 4.21 million (previous period Rs. 4.09 million).

32. Accounting for taxes on income:-

In accordance with the Accounting Standard (AS) 22 'Accounting for Taxes on Income' specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013. Accordingly, deferred tax assets have been recognized only to the extent of deferred tax liability, the details of which are as under:

(Rs. Million)

	As at March 31, 2016 (DTL)/DTA	As at December 31, 2014 (DTL) / DTA
Accelerated depreciation	(972.62)	(1,128.12)
Expenses deductible on payment	744.23	438.77
Unabsorbed depreciation only to the extent of Deferred tax liability	228.39	689.35
Net Amount	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

33. Sales are net of commission of Rs. 37.21 million (previous period Rs. 29.30 million).

34. Employee Benefits:

Disclosures required under Accounting Standard (AS) - 15 "Employees Benefits" specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013.

i) Defined Contribution Plan and amount recognized in the Statement of Profit and Loss.

	15 Months ended March 31, 2016 Rs. Million	15 Months ended December 31, 2014 Rs. Million
- Employers contribution to provident fund	60.16	56.17
- Employees State Insurance Corporation	0.09	0.08

ii) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Accounting Standard 15, actuarial valuation was done and details of the same are given below:

(Rs. Million)

	Gratuity (Funded) @		Compensated absences	
	Current Period	Previous Period	Current Period	Previous Period
A. Change in the Present value of obligation				
Present value of obligation as at the beginning of the period	172.66	175.79	28.20	31.66
Current service cost	13.44	13.77	3.23	4.01
Interest cost	17.27	17.58	2.82	3.17
Benefits paid	(32.13)	(27.86)	(15.16)	(14.20)
Actuarial loss/ (gain)	5.25	(6.62)	5.30	3.56
Present value of obligation as at the end of the period	176.49	172.66	24.39	28.20
B. Change in the fair value of plan assets				
Fair value of plan assets as at the beginning of the period	65.44	59.81	-	-
Expected return on plan assets	6.83	6.61	-	-
Last year difference	3.56	-	-	-
Contribution by the Parent Company	3.88	1.35	-	-
Benefits paid	(3.62)	(0.90)	-	-
Actuarial gain/(loss)	0.48	(1.43)	-	-
Fair value of plan assets as at the end of the period #	76.57	65.44	-	-
C. Amount recognised in the balance sheet (A - B)	99.92	107.22	24.39	28.20
Short - term provision	20.41	21.45	2.59	2.94
Long - term provision	79.51	85.77	21.80	25.26
D. Expenses recognized in the Statement of Profit and Loss				
Current service cost	13.44	13.77	3.23	4.01
Interest cost	17.27	17.58	2.82	3.17
Expected Return on plan Assets	(6.83)	(6.61)	-	-
Actuarial loss/ (gain)	4.77	(5.19)	5.30	3.56
Net Cost	28.65	19.55	11.35	10.74

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

		Gratuity (Funded) @		Compensated absences	
		Current Period	Previous Period	Current Period	Previous Period
E.	Best estimate contribution during the next year	23.18	23.86	-	-
F.	Actuarial Assumptions				
	Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%
	Future Salary increase	5.00%	5.00%	5.00%	5.00%
	Expected Rate of return on plan assets	8.35%	8.85%	-	-
	Mortality table	IALM (2006-08)			

@ Rs. 99.92 million (Previous period Rs. 107.22 million) has not been funded.

The plan assets are maintained with Life Insurance Corporation of India (LIC) Gratuity Scheme. The details of investments maintained by LIC are not made available to the Parent Company and therefore has not been disclosed.

G. Net Assets/(Liabilities) in respect of gratuity recognized in the Balance Sheet

As on	31.03.2016	31.12.2014	30.09.2013	30.09.2012	31.03.2011
Present Value of obligation	176.49	172.66	175.79	165.84	145.45
Fair value of plan assets	76.57	65.44	59.81	55.24	48.19
Net Assets/(liability)	(99.92)	(107.22)	(115.98)	(110.60)	(97.26)

Expenses on actuarial (gain)/loss for Benefit obligation and plan assets in respect of gratuity

Period ended	31.03.2016	31.12.2014	30.09.2013	30.09.2012	31.03.2011
On Present Value of obligation	5.26	(6.62)	11.56	4.51	-
On plan assets	(0.48)	1.84	3.57	(0.23)	-

35. Segment reporting

A. Business Segment

Based on the guiding principles given in Accounting Standard (AS) 17 "Segment Reporting" specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013., - the Parent Company and its subsidiaries' business Segment includes Sugar, Power, Chemical and Distillery.

B. Geographical Segment

Since the Parent Company and its subsidiaries' activities/operations are primarily within the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2(A) above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

c) Inter segment revenues:

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

D. Information about business segments

	(Rs. Million)													
	Sugar		Power		Chemicals		Distillery		Unallocated		Elimination		Total	
	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period	This Period	Previous Period
SEGMENT REVENUE														
External Sales (Net of excise duty)	10,449.78	9,947.18	632.41	508.69	2,668.22	1,176.83	853.21	-	-	-	-	-	14,829.67	13,977.30
Inter-segment revenue	3,013.40	2,525.35	3,308.76	2,770.41	2.51	14.29	23.60	-	-	-	(6,338.96)	(5,327.19)	-	29.26
Other Operating Revenues	11.40	21.56	-	-	5.30	7.70	-	-	98.38	89.69	-	-	16.70	29.26
Other income	-	-	-	-	-	-	-	-	-	-	-	-	98.38	89.69
Total revenue	13,474.58	12,494.09	3,941.17	3,279.10	2,683.75	1,191.12	876.81	-	98.38	89.69	(6,338.96)	(5,327.19)	14,944.75	14,096.25
EBIT/RESULTS														
Segment results	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(209.44)	-	-	-	949.12	(875.51)
Unallocated income/(expenses) (net of income/expenses)	-	-	-	-	-	-	-	-	(209.44)	-	-	-	(209.44)	(202.45)
Operating Profit/(loss)	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(209.44)	(202.45)	-	-	739.68	(1,077.96)
Finance Cost	-	-	-	-	-	-	-	-	767.78	768.88	-	-	767.78	768.88
Interest income	-	-	-	-	-	-	-	-	36.06	33.01	-	-	36.06	33.01
Net Profit/(Loss) before tax and exceptional items	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(941.16)	(938.32)	-	-	7.96	(1,813.83)
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) before tax	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(941.16)	(938.32)	-	-	7.96	(1,813.83)
Tax expenses	-	-	-	-	-	-	-	-	-	0.09	-	-	-	0.09
Net Profit/(Loss) after tax	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(941.16)	(938.41)	-	-	7.96	(1,813.92)
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) after tax and minority interest	(573.78)	(1,736.85)	1,259.35	790.85	(124.74)	388.29	182.98	-	(941.16)	(938.41)	-	-	7.96	(1,813.92)
OTHER INFORMATION														
As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.03.2016	As at 31.12.2014	As at 31.12.2014
6,269.73	5,207.79	1,987.06	1,818.51	937.13	860.66	871.37	860.66	603.52	520.11	-	-	9,928.13	8,824.09	
Unallocated assets	-	-	-	-	-	-	-	603.52	520.11	-	-	603.52	520.11	
Total Assets	6,269.73	5,207.79	1,987.06	1,818.51	937.13	871.37	860.66	603.52	520.11	-	-	10,531.65	9,344.20	
B. LIABILITIES														
Segment liabilities	7,304.29	6,892.37	11.54	10.68	310.04	37.68	78.37	-	-	-	-	-	7,663.55	7,205.75
Share capital/reserves and surplus	-	-	-	-	-	(3,866.19)	(3,874.17)	-	-	-	-	-	(3,866.19)	(3,874.17)
Borrowings	-	-	-	-	-	-	-	-	4,818.42	5,042.74	-	-	4,818.42	5,042.74
Unallocated liabilities	-	-	-	-	-	-	-	-	1,915.87	969.88	-	-	1,915.87	969.88
Total Liabilities	7,304.29	6,892.37	11.54	10.68	310.04	37.68	78.37	2,868.10	2,138.45	-	-	-	10,531.65	9,344.20
C. OTHERS														
Capital expenditure	21.22	13.38	0.02	1.66	9.70	43.89	27.94	0.35	2.85	-	-	-	75.18	53.90
Depreciation	184.23	241.73	66.92	185.85	73.75	41.65	34.19	12.77	3.62	-	-	-	379.32	609.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. Earnings per share:

		15 months ended March 31, 2016	15 months ended December 31, 2014
Profit/(loss) after tax	Rs. Million	7.96	(1,813.92)
Weighted average number of equity shares outstanding	No.	39,115,672	39,115,672
Basic and diluted earnings/(loss) per share in rupees (face value – Rs. 10 per share)	Rs.	0.20	(46.37)

37. Related party disclosures under Accounting Standard 18

Name of related party and nature of related party relationship

Promoter:

Mr. Siddharth Shriram (Chairman and Managing Director upto July 31,2014)

Key Management Personnel:

Mr. Dharam Pal Sharma –Whole Time Director (w.e.f. August 13, 2015)

Dr. Anil Arora – Chief Financial Officer (w.e.f. November 05, 2015)

Mr. Ashok Kumar Shukla- Company Secretary (w.e.f. July 04, 2015)

Mr. Ritesh jain- Company Secretary (resigned w.e.f. March 10, 2015)

Enterprises over which key management personnel have significant influence:

Usha International Limited

Mawana Foods Private Limited (Formerly known as Mawana Foods Limited) (subsidiary company of Usha International Limited)

Details of Related Party Transactions:

	Period ended March 31, 2016 Rs. Million	Period ended December 31, 2014 Rs. Million
A) Promoter		
Siddharth Shriram		
Advisory Fees	11.50	1.81
Managerial Remuneration	-	1.05
Excess remuneration paid in earlier years pending recovery		
Siddharth Shriram	7.04	3.98
Balance outstanding included under		
Loans and advances (also refer note 40(i))	7.91	7.04
B) Key Management personnel and their relatives		
Remuneration to key management personnel:		
Mr. A.K. Mehra (resigned w.e.f. July 31,2014)	-	8.87
Mr. Rajendra Khanna (resigned w.e.f. December 31,2014)	-	8.25
Dr. Anil Arora	2.04	-
Mr. Dharam Pal Sharma	1.12	-
Mr. Ashok Kumar Shukla	0.37	-
Mr. Ritesh Jain	0.21	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Period ended March 31, 2016 Rs. Million	Period ended December 31, 2014 Rs. Million
C) Enterprises over which key management personnel have significant influence		
Usha International Limited		
Expenses recovered	0.07	7.76
Expenses reimbursed	6.90	3.12
Reimbursement of ERP expenses	6.05	5.84
Miscellaneous purchases	0.55	0.96
Rent paid	6.62	23.84
Royalty paid	11.69	10.78
Sale of Fixed Assets	6.26	-
Balances outstanding included under :		
Loans and advances	-	4.25
Trade payables/ Loans and advances taken	6.95	12.78
Mawana Foods Private Limited (Formerly known as Mawana Foods Limited)		
Sale of Goods	427.33	409.94
Interest received	5.07	3.40
Expenses reimbursed	0.06	0.67
Expenses recovered	13.41	1.90
Balances outstanding included under :		
Guarantee given by the Parent Company	70.00	70.00
Loans and advances	0.01	-
Trade receivables	87.54	35.66

38. The following are particulars of disputed dues on accounts of sales tax, income-tax, service tax and excise duty matters as at March 31, 2016 that have not been deposited by the Parent Company:

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
1	Sales Tax Laws	Sales Tax	6.36 84.22	- 10.64	2009-10 to 2013-14 1976-77, 1977-78, 1983-84 to 1996-97, 1998-99 to 2000-01, 2003-04, 2004-05, 2006-07, 2011-12 and 2012-13	High Court Appellate Authority upto Commissioner's level
			2.53	-	1978-79 & 1979-80	Tribunal
2.	Income Tax Laws	Income Tax	30.28	30.28	1998-99	High Court

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

S. No	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Amount Paid under Protest (Rs. Million)	Period to which the amount relates (various years covering the period)#	Forum where dispute is pending
3.	Central Excise Laws	Excise Duty	10.35	-	2007-08 to 2014-15	High Court
			133.33	0.40	1998-99, 2001-02 and 2005-06 to 2011-12	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			1.04	-	1999-00 to 2002-03	Supreme Court
			129.04	0.55	1981-82 to 1984-85, 1994-95 to 1997-98, 1999-00, 2001-02, 2004-05 and 2006-07 to 2015-16	Appellate Authority upto Commissioner's level
		Service Tax	0.19	-	2005-06	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
			17.24	0.02	2005-06 to 2015-16	Appellate Authority upto Commissioner's level

Period in respect of income tax represents assessment year

The following matters which have been excluded from the above table have been decided in favour of the Parent Company but the department has preferred appeal at higher level:

S No.	Name of the Statute	Nature of dues	Amount involved (Rs. Million)	Period to which the amount relates #	Forum where dispute is pending
1.	Central Excise Laws	Excise Duty	0.21	1996-97	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
2.	Income tax Laws	Income tax	306.42	2001-02	Income tax Appellate Tribunal (ITAT)

Period in respect of income tax represents assessment year

39. Foreign currency exposures that are not hedged by derivative instruments or otherwise is as follows:

	As at March 31, 2016		As at December 31, 2014	
	Amount in foreign currency (Million)	Amount in (Rs./ Million)	Amount in foreign currency (Million)	Amount in (Rs./ Million)
Trade payables	USD 0.09	5.80	USD 0.06	4.01
	GBP 0.08	7.33	GBP 0.50	4.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

40. Operating lease:

The Parent Company and its subsidiaries have taken properties on cancellable and non-cancellable operating lease and have recognized rent of Rs. 52.69 million (previous period Rs 63.11 million) during the period to the Consolidated Statement of Profit and Loss.

The details of future minimum lease payments under non-cancellable leases are given below:

(Rs. Million)

	Current period	Previous period
Not later than one year	23.78	8.50
Later than one year and not later than five years	21.95	8.50

41. i) The Central Government had approved the erstwhile Chairman and Managing Director's remuneration (w.e.f. October 15, 2012) vide letter dated April 21, 2014 at an amount lower than that approved by the shareholders in their general meeting. Consequent thereto, the Parent Company had made a representation to the Central Government on November 5, 2014 for waiver of excess remuneration paid to Chairman and Managing Director (ceased to be Managing Director w.e.f. August 01, 2014). Pending outcome thereof, refund of excess remuneration amounting to Rs. 7.04 million paid in terms of shareholder's approval has not been obtained by the Parent Company.
- ii) The Central Government had approved the former Whole Time Director (WTD) Mr. Rajendra Khanna's remuneration (w.e.f. February 01, 2014) vide letter dated June 30, 2015 at an amount lower than that approved by the Shareholders. Consequent thereto, the Parent Company had made a representation to the Central Government for waiver of excess remuneration paid to Mr. Rajendra Khanna, Whole Time Director (ceased to be WTD w.e.f. December 31, 2014). Pending outcome thereof, refund of excess remuneration amounting to Rs. 6.61 million paid in terms of shareholder's approval has not been obtained by the Parent Company.
- iii) Remuneration amounting to Rs 1.08 million paid to Whole Time Director (WTD) of the Parent Company up to March 31, 2016 is subject to the approval of shareholders and Central Government under the provision of the Companies Act, 2013.
42. Pursuant to MOU signed with Govt. of Punjab, as at the close of the period, SIEL-IE has possession of 455.72 acres (previous year 455.53 acres) of land, which has been conveyed in the name of SIEL-IE.
- The Additional District Judge (ADJ), Patiala vide Order dated 12.11.2005, enhanced the amount of compensation of land from Rs. 1,45,000/- per acre to Rs. 1,75,000/- per acre i.e. Rs. 30,000 per acre in the basic land price compensation. Compensation towards Abadi land, Loss of Income, Superstructures, trees, etc. was also granted.
- The Collector Land Acquisition (CLA) has confirmed a total liability of Rs. 71.60 million (previous period Rs. 71.60 million) towards the said enhancement and SIEL-IE has deposited this entire enhanced amount with the Additional District Judge, Patiala. Suitable adjustment entries in this regard have been made in the books of accounts of SIEL-IE.
- Thereafter, SIEL-IE filed an appeal against the above Order before the Hon'ble Punjab & Haryana High Court in April'06, Land owners/ farmers also filed appeals against SIEL-IE claiming further enhancement towards land compensation. The Hon'ble High Court vide order dated 15.07.2015 dismissed the appeals filed by SIEL-IE and the appeals filed by the land owners were allowed. The Hon'ble High Court while upholding the order of ADJ, Patiala made modification in the order to the extent that the market value of acquired land was revised and fixed at Rs. 2,10,000/- per acre as against Rs. 1,75,000/- per acre assessed by reference court earlier.
- In compliance of Punjab and Haryana High Court, SIEL-IE deposited a sum of Rs.20.90 million towards enhancement amount with Collector Land Acquisition (CLA), Department of Industries and Commerce, Punjab on 21.01.2016 towards the difference of market price of acquired land as determined by Hon'ble High Court, vide its order dated 15.07.2015, calculated at the rate of Rs. 35,000/- per acre. Suitable adjustment entries in this regard have been made in the books of accounts of SIEL-IE. Further, SIEL-IE has obtained legal advice and as per management opinion no further provision is considered necessary.
- Further, Special Leave Petition (SLP) has been filed by SIEL-IE before Hon'ble Supreme Court of India against the impugned order dated 15.07.2015 of High Court. On dated 19.02.2016, notice was issued in appeals filed by land owners and was accepted by our Counsel. Now, counter affidavit is yet to be filed by SIEL-IE.
- The legal challenges on 58.01 acres of land deterred potential customers and therefore the development of the land. These legal challenges were finally overcome and the unencumbered possession of the land has been achieved on October, 2011 upon final conclusion of all pending legal cases in the Punjab and Haryana Court in relation to the said land.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Accordingly, SIEL-IE is now in a position to undertake the development of the land in synchronization with the evolving needs of the State and customer interest, as earlier envisaged. The MOU mandates the development of the estate within ten years of receiving the unencumbered possession of the land. A letter has been received from the Government of Punjab, Department of Industries & Commerce (Land Acquisition Branch) confirming the period of ten years for development of Industrial Estate begins from 05th Oct. 2011 i.e. the date on which SIEL-IE received clear & unencumbered possession of land.

43. The State Government has exempted SIEL-IE from all the provisions of Punjab Apartment and Property Regulation Act, 1995 'PAPRA' subject to the terms and conditions as stated in Notification No. 2/14/2000-2HG(2)/895 dated 12.02.2004 and 2/14/2000-2HG(2)/3395-98 dated 25.05.2004.
44. As per the accounting policy of SIEL- IE, inventories are valued at lower of cost or estimated realizable value. During the accounting period ended 31st March 2016, as the estimated realizable value of land was higher than cost, SIEL- IE valued its inventories at cost Rs. 246.25 million (previous period Rs. 227.95 million) which is inclusive of enhanced compensation as per the Order of Additional District Judge, Patiala referred to in note 42 above. For the current period, in view of the current prevailing market condition, the value indicated by the valuer is higher than the cost hence, SIEL- IE valued its inventories at cost.
45. Pursuant to Companies Act, 2013 ('the Act') being effective from January 1, 2015, the Parent company has revised depreciation rates on fixed assets as per the useful life specified in Part 'C' of schedule II of the Act. As a result of this change, the depreciation charges for the period ended March 31, 2016 is lower by Rs. 243.53 Million. In respect of the assets whose useful life is already exhausted as at December 31, 2014 depreciation of Rs. 49.13 million has been adjusted in the Consolidated Statement of profit and loss account in accordance with the requirement of the Schedule II of the Companies Act, 2013.
46. Pursuant to judgment dated 10.05.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Parent Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Parent Company is no longer in physical possession of 46.58 acres owned by it.

The Parent Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Parent Company to Delhi Metro Rail Corporation ('DMRC'). The Parent Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Parent Company has surrendered and dedicated the land.

Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.03.2010 but on the Parent Company's application against the leasing of land by DDA to DMRC stated and directed as follows : "...the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community...In the event of any acquisition or development of surrendered land, the owner – dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/open space...' when such acquisition/alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each."

In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Parent Company.

47. Reserve Bank of India has issued a clarification vide its notification RBI/2006-07/158, DNBS (PD) C.C. No. 81/03.05.002/2006-07, Dated October 19, 2006 that a company will be treated as a non-banking financial company (NBFC) if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company for the purpose of identification of an NBFC. SIEL-IED has become non-banking financial company on the basis of financial assets & income from financial assets criteria. Since SIEL-IED was complying with the conditions laid down under "The Core Investment Companies (Reserve Bank) Directions, 2011", SIEL-IED submitted an application dated December 17, 2013 with Reserve Bank of India seeking exemption from registration with RBI as Core Investment Company (CIC). RBI vide letter no. DNBS.ND.NO.-2958/Regn. No. CIC./04.04.9999/2013-14 has granted exemption from registration of SIEL-IED as Core Investment Company (CIC).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

48. SFSL has severely curtailed its operations due to paucity of funds and adverse market conditions. The management is negotiating with certain parties for realizing some of the assets and is hopeful of generating funds for this business. In view of the above, the accounts of SFSL have been prepared on a going concern basis.
49. The Government of Uttar Pradesh had announced subsidy on sugar cane purchased during the sugar season 2014-15 linked to average selling price of sugar and its by-products during the period October 1, 2014 to May 31, 2015. As such, the Parent Company has recognized the full subsidy of Rs. 28.60 per qtl. aggregating to Rs. 766.2 million which has been netted off from the cost of material consumed for fifteen months ended March 31, 2016.
50. The Parent Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
51. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share of Profit & Loss	
	As % of consolidated net assets	Amount Rs. Million	As % of consolidated Profit & Loss	Amount Rs. Million
Parent				
Mawana Sugars Limited	107%	(4,145.60)	279%	22.14
Indian Subsidiaries				
Siel Industrial Estate Limited	-7%	280.03	-169%	(13.38)
Siel Financial Services Limited	0%	(1.09)	-7%	(0.59)
Siel Infrastructure & Estate Developers Private Limited	0%	0.45	-3%	(0.21)

52. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of supplier information available with the Parent Company who have registered under the Micro Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the following are the details:

	Rs. Million	
	As at March 31, 2016	As at December 31, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the period	5.00	3.31
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the period	11.98	8.24
(iii) Interest due thereon remaining unpaid to any supplier as at the end of the period	-	-
(iv) The amount of interest due and payable for the period	3.74	3.15
(v) The amount of interest accrued and remaining unpaid at the end of the period	11.98	8.24
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

53. SIEL-IED is Systematically Important Non Deposit Taking Core Investment Company and it has invested in the equity share of SIEL Industrial Estate Limited which is its associate and also fellow subsidiary of Mawana Sugars Limited. SIEL Industrial Estate Limited, the investee intends to invest in estate business. The said estate business will include but not limited to conceiving, designing, promoting, investing, developing, constructing, managing integrated industrial estate, science

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

parks, business parks, technology centres, research & development centres, export oriented units, software & hardware technology parks, residential houses, commercial building etc. SIEL-IED is still in the process of planning & charting out its course of action to commence its operations. Considering the time required & save Government fees, it applied to registrar of companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, Government of India to become dormant under Section 455 of the Companies Act 2013 till the time it actually operationalise its plans. SIEL-IED became dormant under Section 455 of the Companies Act 2013 on January 15th 2015. Under the said section, SIEL-IED can become active company within span of five years and it intends to become active at the earliest.

Considering SIEL-IED is Systematically Important Non Deposit Taking Core Investment Company and it is actively working in the direction to commence its operations which will enable SIEL-IED to start operating on a profitable basis, SIEL-IED is considered as going concern and the accounts of SIEL-IED have been prepared on a 'going concern basis'.

54. SIEL-IE is in the process of complying with the provisions of Section 203 (1) (i), (ii) & (iii) and Section 149 (4) of the Companies Act, 2013, for the appointment of Chief Executive Officer or Manager or whole-time director, Company Secretary, Chief Financial Officer and Independent director. Consequently, SIEL-IE is not in compliance with the above sections / clauses of the Companies Act, 2013.
55. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosures.

In terms of our report attached
For A.F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

MANJULA BANERJI
Partner
(Membership No. 086423)

Date : 10th May, 2016
Place : New Delhi

ASHOK KUMAR SHUKLA
Company Secretary

DR. ANIL ARORA
Chief Financial Officer

For and on behalf of the Board of Directors
DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

PARMJIT KAUR
Director
(DIN: 06714249)

PIAR CHAND JASWAL
Director
(DIN: 07100098)

DINESH MOHAN
Director
(DIN: 00077959)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125

Phone No: 011-25739103, Fax No:011-25743659

E-mail: corporate@mawanasugars.com, Website: www.mawanasugars.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No./DP ID/Client ID	No. of Share(s)
Name of Member(s) :	
Registered Address :	

I/ We, being the Members(s), holding.....shares of the above named company, hereby appoint:

- 1) Name.....Address:.....
Email ID :Signature:.....or failing him/ her
- 2) Name.....Address:.....
Email ID :Signature:.....or failing him/ her
- 3) Name.....Address:.....
Email ID :Signature:.....

as my/ our Proxy to attend and vote (on a poll) for my/our and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on Monday, 13th June, 2016 at 11.00 A.M at Shriram Bharatiya Kala Kendra (Lawn), 1, Copernicus Marg, Mandi House, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
Ordinary Business:		FOR	AGAINST
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2016 together with reports of the Auditors and Board of Directors thereon		
2.	Re-appointment of Mr. Piar Chand Jaswal, Director who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Appointment of Statutory Auditors for 2016-17		
Special Business:			
4.	Appointment of Mrs. Pramjit Kaur as an Independent Director		
5.	Appointment of Mr. Dharam Pal Sharma as a Director		
6.	Appointment and payment of remuneration to Mr. Dharm Pal Sharma as Whole Time Director		
7.	Ratification of remuneration of Cost Auditor for 2015-16		
8.	Appointment of Cost Auditors for 2016-17		
9.	Reclassification of authorised share capital and amendment of Memorandum of Association		

Signed this.....Day of.....2016

Signature of Proxy holder(s).....

Email ID of Member.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

- Note:**
1. This form of proxy in order to be effective should be duly completed and deposited at the Regd. office of the Company not less than 48 hours before the commencement of the Meeting.
 2. For Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 52nd Annual General meeting.
 - 3*. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



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REMOTE ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	PAN NO.	NO. OF SHARES

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	From 09:00 a.m. (IST) on June 10, 2016
End of remote e-voting	Upto 05:00 p.m. (IST) on June 12, 2016

The cut-off date (i.e. the relevant date) for the purpose of remote e-voting is June 6, 2016.

-----TEAR HERE-----



Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

Regd. Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125

Phone No: 011-25739103, Fax No:011-25743659

E-mail: corporate@mawanasugars.com, Website: www.mawanasugars.com

ATTENDANCE SLIP

Regd. Folio No./DP ID – Client ID	
Name & Address of First/Sole Shareholder	
No of Shares held	

I hereby record my presence at the 52nd Annual General Meeting of the Company to be held on Monday, the 13th June, 2016 at 11.00 a.m. at Shriram Bharatiya Kala Kendra (Lawn), 1, Copernicus Marg, Mandi House, New Delhi – 110001.

.....
Signature of the Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

Instructions and other information relating to remote e-voting are as under:

- i. The remote e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.
- ii. Click on the “shareholders” tab.
- iii. Now select the Company name from the drop down menu and click on “SUBMIT”
- iv. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL : 8 character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are already registered with CDSL for remote e-voting than you can use your existing user Id and password for casting your vote
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) as given in the box.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio respectively in dd/mm/yyyy format.
Bank Account Details	Enter the Bank Account Details as recorded in your demat account or in the company records for the said demat account or folio respectively. Please enter the DOB or Bank Account Details in order to login. If the both details are not recorded with the depository or company please enter the member id / folio number in the Bank Account Details field.

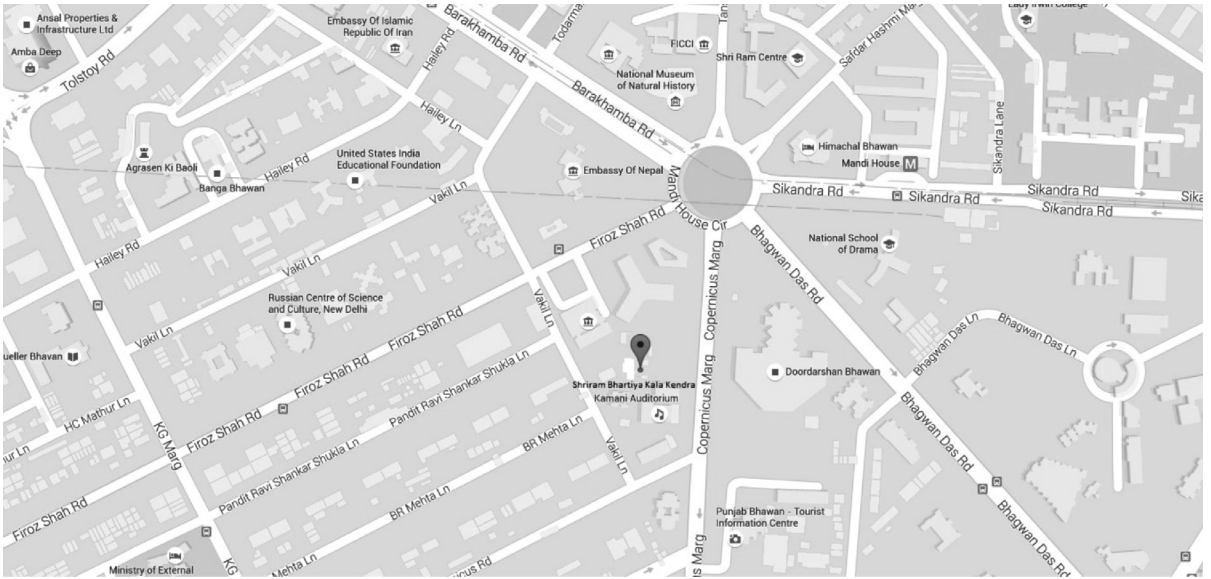
- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen.

However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates and custodians respectively.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and e-mail to nirbhaykumar77@gmail.com.

General Instructions:

- (A) The remote e-voting period commences on June 10, 2016 (9.00 a.m.) and ends on June 12, 2016 (5.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 6, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (i.e. the relevant date) of June 6, 2016.
- (D) M/s Nirbhay Kumar and Associates has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- (E) The Results shall be declared on or after the AGM of the Company. The Results declared Along with the Scrutinizer’s Report shall be placed on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges.

Annual General Meeting Route Map



If undelivered, please return to:

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

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